

***Roundtable on Sustainable Palm Oil Certification
R S P O***

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Name of Management Organisation : **Muara Kandis Mill – PT Djuandasawit Lestari Subsidiary of Golden Agri-Resources Holdings Ltd**

Plantation Name : **Muara Kandis Estate and Muara Tawas Estate**

Location : **Village of Lubuk Pandan, Sub District of Muara Lakitan, District of Musi Rawas, Province of South Sumatra, Country of Indonesia**

Certificate Code : **MUTU-RSPO/059**

Date of Certificate Issue : 18 May 2015 Date of License Issue : 18 May 2016

Date of Certificate Expiry : 17 May 2020 Date of License Expiry : 17 May 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-1	09 – 13 June 2014	Bukti Bagja (LA); Moh. Arif Yusni Trismadi Nurbayuto	Ganapathy Ramasamy	Taufik Margani
ST-2	31 August – 5 September 2014	Bukti Bagja (LA); Moh. Arif Yusni, Steve Mualim, Yohannes Hardian; Panggading Hariara		
ASA-1	28 March – 01 April 2016	Bukti Bagja (LA); Andi Pratama Pasaribu, Naila Karima, Yohannes Hardian	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	July 13th 2016

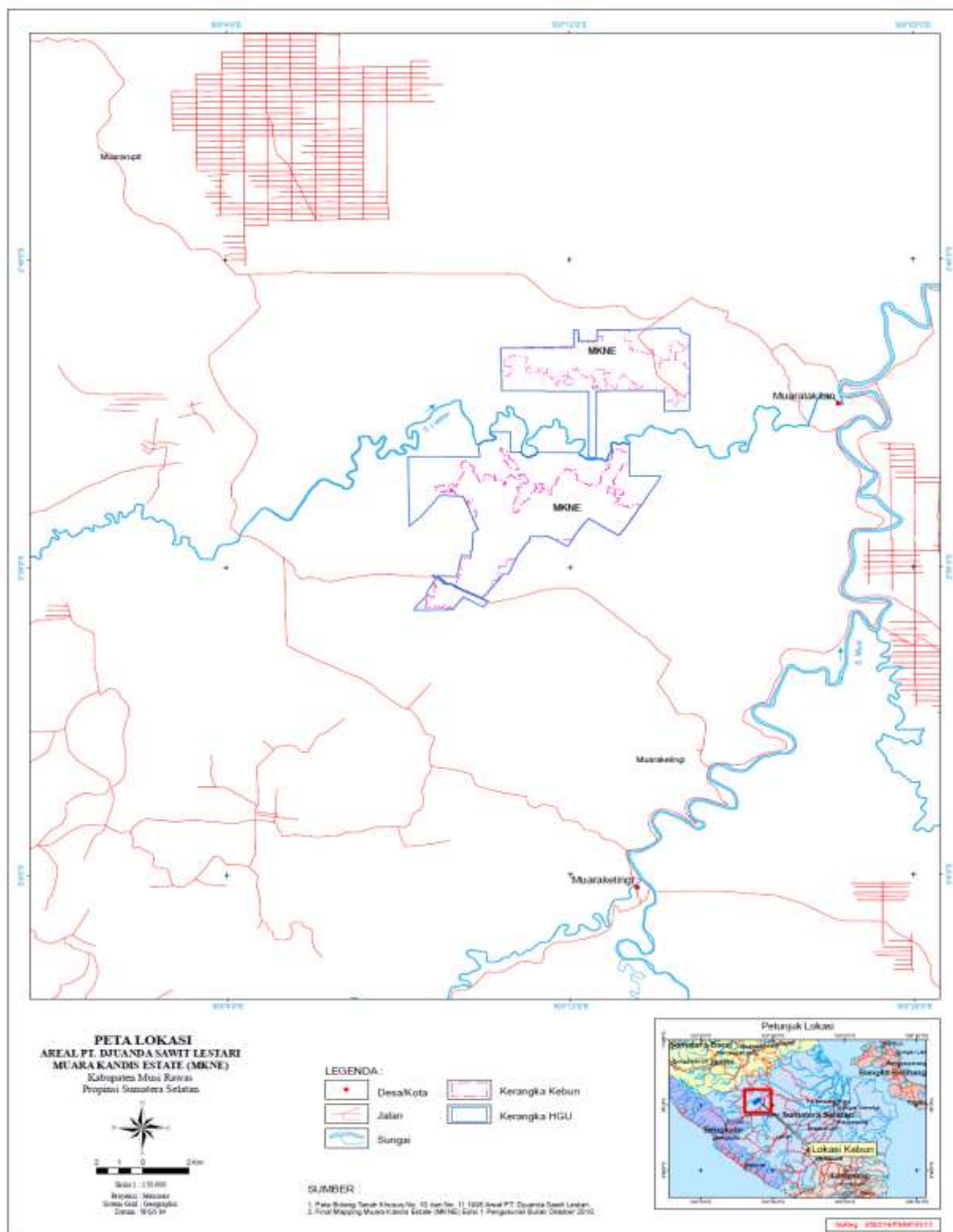
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FIGURE

Figure 1. Location Map of PT Djuandasawit Lestari

a. Location Map of Muara kandis Estate



b. Location Map of Muara Tawas Estate

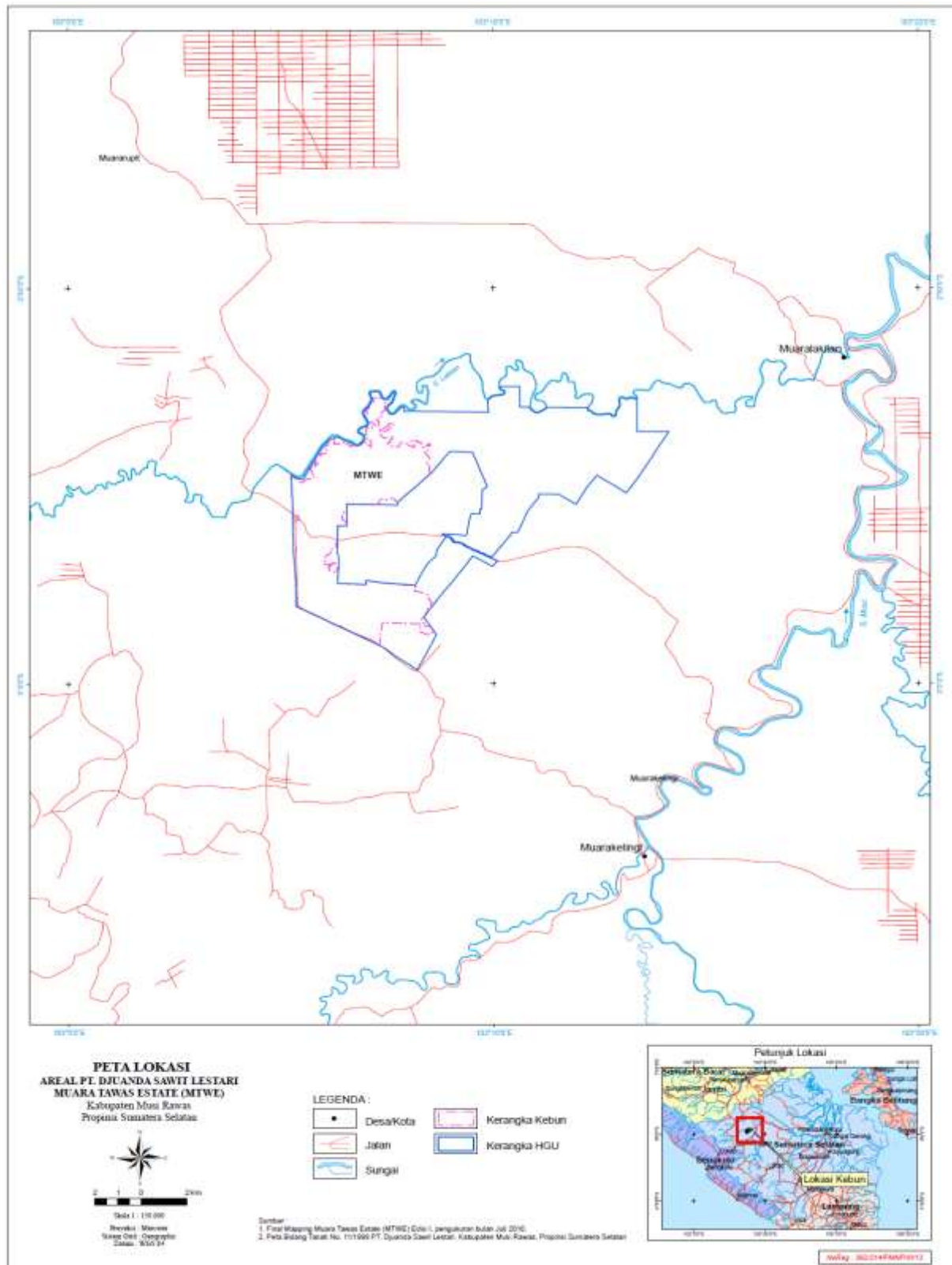
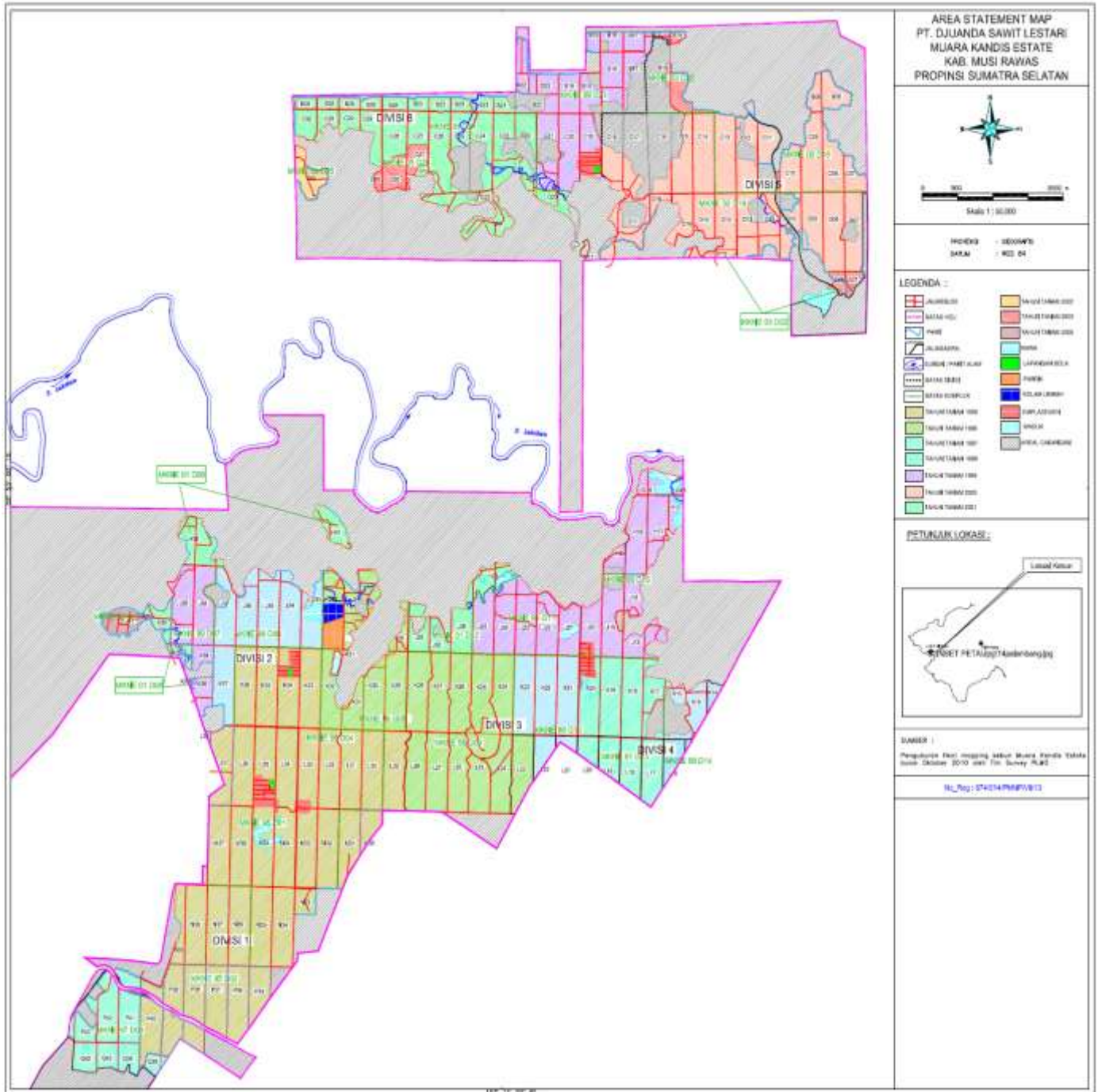
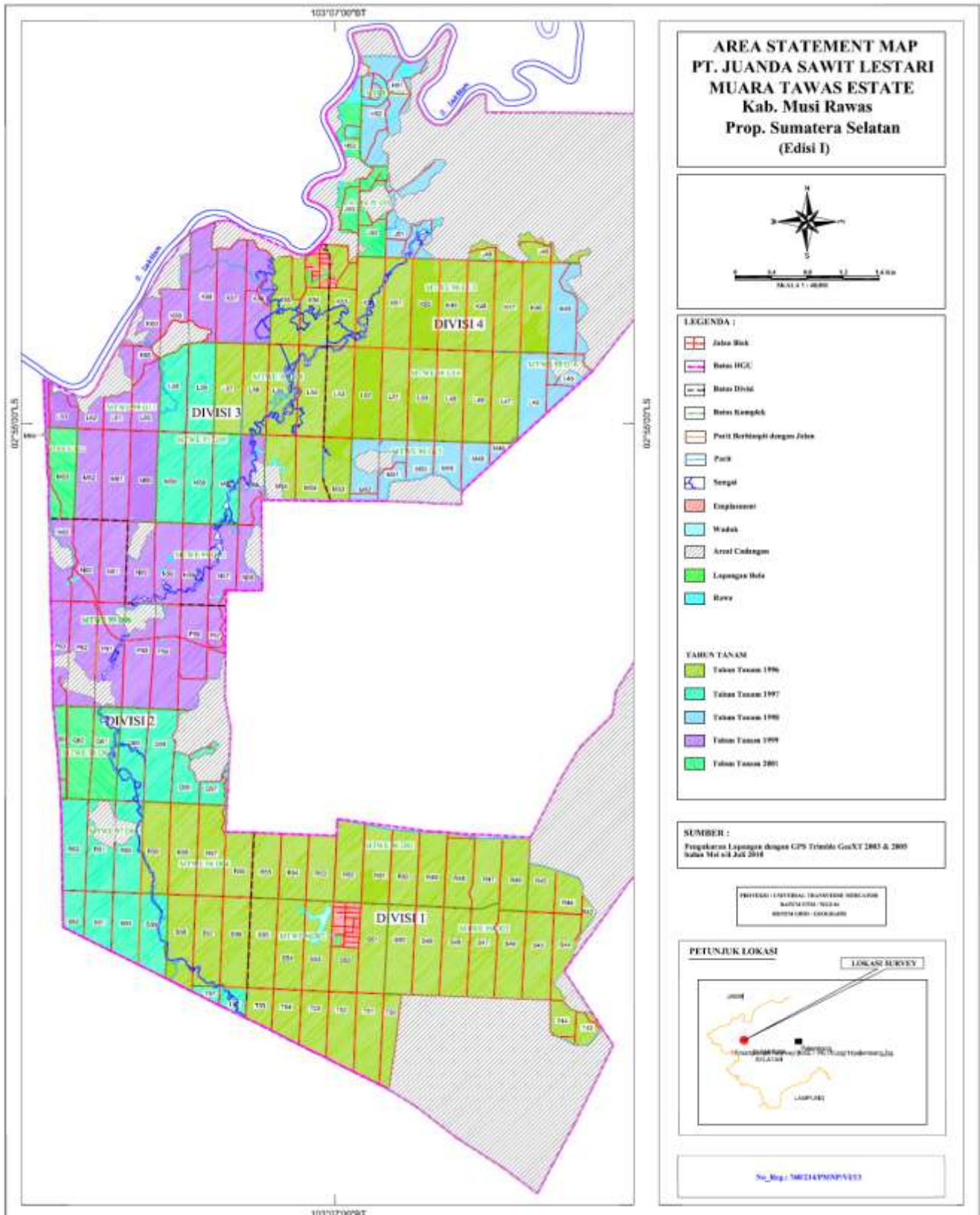


Figure 2. Operational Map of PT Djuandasawit Lestari

a. Operational Map of Muara Kandis Estate



b. Operational Map Muara Tawas Estate



Glossary

AKAD	:	Angkatan Kerja Antar Daerah (inter-city inter-regional labor)
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Workers Social Security Agency)
CH	:	Certification Holder
CLA	:	Collective Labor Agreement
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EBS	:	Empty Bunch Spreader
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
GAR	:	Golden Agri Resources
GHG	:	Green House Gasses
HIRAC	:	Hazard Identification Risk Assessment and Risk Control
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> / Land Use Permit
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
KER	:	Kernel Extraction Rate
KTK	:	<i>Kapasitas Tukar Kation</i> / Cation Exchange Capacity
LCC	:	Land Cover Crop
LD50	:	Lethal dosage 50
LSU	:	Leaf Sampling Unit
MCAR	:	Management Committee Agronomy and Research
MCMD	:	Management Committee for Mill Development
MKNE	:	Muara Kandis Estate
MKNM	:	Muara Kandis Mill
MSDS	:	Material Safety Data Sheet
MTWE	:	Muara Tawas Estate
NGO	:	Non Government Organization
OAD	:	Operational Audit Department
OER	:	Oil Extraction Rate
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health & Safety
OIA	:	Operational Internal Audit
P2K3	:	Panitia Pelaksana Keselamatan dan Kesehatan Kerja/ Guiding Committee of Occupational Safety & Health
P&D	:	Pest and Disease
PC	:	Production Controller
PIC	:	Person in Charge
PK	:	Palm Kernel
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinar Mas</i> (Sinar Mas Plantation)
PT DSL	:	PT Djuandasawit Lestari
PUKBP	:	Petunjuk Umum Keamanan Dalam Bekerja/ General Instruction in Safety Working with Pesticides
RC	:	Regional Controller
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare Threatened Endangered

SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SMARTRI	:	Sinarmas Agribusiness Resources and Technology Research Institute
SSU	:	Soil Sampling Unit
SOP	:	Standard Operational Procedure
SR	:	Severity Rate
VPA	:	Vice President Agronomy
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used		<ul style="list-style-type: none"> <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 	
1.2 Organization Information			
1.2.1	Organization name listed in the certificate	PT Djuandasawit Lestari subsidiary of Golden Agri Resources Holdings Ltd (GAR)	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organization address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1-0096-11-000-00 – 31 March 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	One (1) Palm Oil Mill (Muara Kandis Mill) and two (2) estates supply base Muara Kandis Estate and Muara Tawas Estate.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Muara Kandis Mill	Village Of Lubuk Pandan, Sub district of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia	S 2° 54' 0,77' E 103° 10' 38,83'
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Muara Kandis Estate	Village of Karya Sakti, Sub district of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	S 2° 55' 09,74' E 103° 10' 15,88'
	Muara Tawas Estate	Village of Karya Mukti, Sub district of	S E

		Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia	2° 58' 02,80'	103° 07' 07,19'	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		10,958.40	Ha	
	• Community		-	Ha	
1.5.2	Area Statement				
	• Total area		10,958.40	Ha	
	• Mature area		6,372.47	Ha	
	• Immature area		-		
	• Mill/ Emplacement/ Infrastructure		288.70	Ha	
	• Drain / Swamp		84.70	Ha	
	• Others area / Enclave		426.70	Ha	
	• Reserve area		3,758.83	Ha	
	• HCV		385.56	Ha*	
	*) Note: HCV area is the riparian area and included planted area. Source: Areal Statement PT DSL issued by June 15 th 2016 and approved by Regional South Sumatera 1				
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Muara Kandis Estate (Ha)	Muara Tawas Estate (Ha)	Total	
	1995	826,54	-	826,54	
	1996	506,37	1.635,02	2.141,39	
	1997	243,49	390,23	633,72	
	1998	312,05	141,89	453,94	
	1999	638,69	756,94	1.395,63	
	2000	453,92	-	453,92	
	2001	237,72	145,28	383,00	
	2002	18,14	-	18,14	
	2003	40,19	-	40,19	
	2005	26,00	-	26,00	
	TOTAL	3.303,11	3.069,36	6.372,47	
1.6.2	New Planting area after January 2010		- Ha		
1.6.3	Planting Cycle		1 st Cycle		
1.7 Description of Mill and Supply Base					
1.7.1	Description of Mill				
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	
				Out put (ton)	Extraction (%)
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	Out put (ton)	Extraction (%)

	Muara Kandis Mill	60	263,925.90	60,119.51	22.78	14,846.68	5.63				
	<i>*Source: Data Production from March 2015 to February 2016</i>										
1.7.2	Description of Certification Scope of Supply Base										
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill					
FFB (tonnes/year)						%					
Muara Kandis Estate						7,098.67	3,303.11	90,399.38	27.38	90,399.38	100
Muara Tawas Estate						3,859.73	3,069.36	82,642.21	26.92	82,642.21	100
	TOTAL	10,958.40	6,372.47	173,041.59	27.16	173,041.59	100				
	<i>*Source: Data Production from March 2015 to February 2016</i>										
1.7.3	FFB description from other source										
	Name of sources	Organization	Location	Supplied to Mill							
FFB (tonnes/year)											
KKPA Pandawa (KUD Sadar Sejahtera) – KTSA Total Area 2,474.26 Ha, 2,535 Smallholders				Scheme Smallholders PT Djuandasawit Lestari (Non Certified)	District of Musi Rawas, South Sumatra Province	44,357.35					
Pandawa Plasma (KUD Pandawa Sakti - KTPA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	106.67					
Kelompok Tani Mandiri (KTMA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	2,689.94					
Kelompok Tani Tugu Sempurna (KTGA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	12,766.26					
Kelompok Tani Revitalisasi (KTRA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	17,344.28					
Kelompok Tani Kredit Komersil (KTNA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	5,926.03					
Kelompok Tani Mukti Jaya (KTJA)				Independent Outgrowers (Non Certified)	District of Musi Rawas, South Sumatra Province	7,693.78					
	TOTAL			90,884.31							
	<i>*Source: Data FFB Receive on March 2015 to February 2016</i>										
1.7.4	Jenis Produk			FFB, CPO, PK							
1.8	Estimate Tonnage of Certified Product										
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 18 May 2015 to 17 May 2016 (tonnes/year)		Actual certified product 18 May 2015 to 27 March 2016 (tonnes/year)						
	• FFB Production		151,964.00		149,086.72						
	• CPO Production		34,724.00		34,047.76						
	• Palm Kernel (PK) Production		8,358.00		8,449.01						
1.8.2	Estimate of Certified FFB Claim										

	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Muara Kandis Estate	7,098.67	3,303.11	95,104	28.79		
	Muara Tawas Estate	3,859.73	3,069.36	73,320	23.89		
	TOTAL	10,958.40	6,372.47	168,424	26.43		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel		
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Muara Kandis Mill	60	168,424	40,422	24.00	9,954	5.91
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9	Other Certifications						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			EU-ISCC-Cert-DE101-15502019 valid since 29-Dec-15 until 28-Dec-16 , issued by DQS-UL CFS GmbH, Frankfurt, Germany			
	Others			-			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera	2013	South Sumatera	Certified	
	Bumi Sawit	2013	PT Bumi Sawit Permai	2013	South Sumatera	Certified	
	Tanjung Kembiri	2013	PT Forestalestari Dwikarya	2014	Bangka Belitung	Certified	
			Smallholder Tanjung Rusa Plasma	2018	Bangka Belitung	-	
	Sungai Rungau	2013	PT Sumber Indah Perkasa and PT Binasawit Abadi Pratama	2013	Central Kalimantan	Certified	
	Bukit Perak	2013	PT Bumi Permai Lestari	2013	Bangka Belitung	Certified	
	Sungai Buaya	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	
			Smallholder (KKPA GedungAji Lama)	2014	Lampung	Certified	
			Smallholder (KKPA Mesuji)	2014	Lampung	Certified	
	Sungai Merah	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	

		Smallholder (KKPA GedungAjiBaru)	2014	Lampung	Certified
Kasuari	2014	PT Sinar Kencana Inti Perkasa	2015	Papua	ST-1
		Smallholder (KKPA Sungai Panci)	2015	Papua	ST-1
		PT Sumber Indah Perkasa (Mambruk Estate)	2015	Papua	ST-1
Pekawai	2014	PT Agrolestari Mandiri	2015	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2015	West Kalimantan	ST-1
Kenanga	2014	PT Kencana Graha Permai	2015	West Kalimantan	Certified
		PT Cahaya Nusa Gemilang	2015	West Kalimantan	Certified
		Smallholder (Kencana Plasma)	-	West Kalimantan	Certified
		Smallholder (Kenanga Plasma)	-	West Kalimantan	Certified
Tangar	2014	Sulin Estate, Nahiyang Estate, Ketayang Estate, Sungai Nusa Estate, Sungai Ayawan Estate	2014	Central Kalimantan	ST-1
Perdana	2015	PT Binasawit Abadi Pratama	2015	Central Kalimantan	ST-1
Kuayan	2015	PT Agrokarya Prima Lestari	2015	Central Kalimantan	ST-1
		PT BuanaAdhitama	2015	Central Kalimantan	ST-1
Belian	2015	PT Paramitra Internusa Pratama	2015	West Kalimantan	ST-1
		PT Bangun Nusa Mandiri	2015	West Kalimantan	ST-1
		PT Kartika Prima Cipta	2015	West Kalimantan	ST-1
		PT Persada Graha Mandiri	2015	West Kalimantan	ST-1
		PT Buana Artha Sejahtera	2015	Central Kalimantan	ST-1
Sungai Kupang	2014	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate Sungai Kupang KKPA	2015	South Kalimantan	ST-2
Golden Agri Resources Ltd run 15 mills and 54 estates in Indonesia and has achieved RSPO certified for 9 (nine) mills and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.					
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard				
	Muara Kandis Mill receives RSPO non certified FFB from the third party, there are 7 suppliers which one of them is scheme smallholder KKPA Pandawa. The scheme smallholder is scheduled to be certifiable in 2018.				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<p>1. Bukti Bagja (Lead Auditor) Indonesian citizen. Master of Science majoring in Environmental Science, University of Indonesia. More than 10 years experience in various national and international forestry and environmental project. Certified RSPO Lead Auditor, involved in various RSPO assessment in Indonesia and Malaysia as Lead Auditor. He too experienced in numbers of international environmental project in Indonesia. Had attended various relevant training i.e. Auditor/Lead auditor Management System Certification (ISO 9001:2008), EIA, HCV assessment, Indonesian Sustainable Palm Oil Lead auditor. Has competency in digital mapping such as: Arc GIS, MapInfo, ER MAPPER, and ERDAS Imagine. During this ASA-1 audit, he assigned to verify of legal, conflict resolution and supply chain</p> <p>2. Naila Karima (Auditor) Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She has experience working in private oil palm plantation companies in Indonesia. Who had attended the training including training understanding the RSPO certification system, ISPO Lead Auditor, and certified Integrated Management System (Occupational Health and Safety Management System OHSAS 18001:2007, Environmental ISO 14001:2004, Quality ISO 9001:2008). During this ASA-1 audit, she assigned to verify of OHS and worker welfare.</p> <p>3. Andi Pratama Pasaribu (Trainee Auditor). Bachelor of Agriculture from the Department of Agribusiness, Faculty of Agriculture, Jember University. Has attended several training such as: Auditor for Indonesian Sustainable Palm Oil (ISPO) training, Awareness RSPO, Awareness ISO 22000, Lead Auditor ISO 9001:2008 and High Conservation Value. Previously worked as an operational staff in private oil palm plantations. Currently worked as an auditor at Certification Body. During this ASA-1 audit, he assigned to verify of Best Agricultural and Manufacturing Practices aspects, Integrated Pest Management.</p> <p>4. Yohanes Hardian (Trainee Auditor). Diploma on forest resources conservation, Bogor Agricultural University. Specialist for environment and wildlife has attended conservation assessment training and high conservation value assessment for several plantation companies, RSPO awareness, and ISO 9001:2008 training. He also has worked as environmental staff in Plantation Company. During this ASA-1 audit, he assigned to verify environmental, conservation aspect, and transparency information.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1	<p>Number of auditors : 4 auditor</p> <p>Number of days for ASA-1 at site : 4 days</p> <p>Number of working days for ASA-1 at site : 16 Working days</p>
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Djuandasawit Lestari - Golden Agri Resources Ltd (GAR) to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 And RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2).</p> <p>Improvement of findings from main assessment findings were observed by auditors at this ASA-1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1</p> <p>The assessment program please find Appendix 2</p>

2.2.3	Location of Assessment
ASA-1	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) Palm Oil Mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (Muara Kandis Mill) and two (2) estates (Muara Kandis Estate and Muara Tawas Estate)</p> <p>Muara Tawas Estate</p> <ol style="list-style-type: none"> 1. Workshop. Observation of activity at workshop such as repair and maintenance of operational vehicles and heavy equipment. 2. Warehouse of Hazardous waste. Observation storage and waste management activities hazardous waste. 3. Generator Set. Observation of the availability of the generator as a means of lighting for office, residential and other supporting facilities 4. Warehouse Agrochemical. Observation storage and management of chemicals used by the company in the form of herbicides, fungicides, pesticides and insecticides. 5. Fertilizer Warehouse. Observation storage and manure management. 6. Cleaning storage used pesticide and place mixing pesticides. Observed the work tools and PPE washing spray workers, equipped with tanks. 7. First Aid Post. Interview with paramedic about health program, medical checkup, handling work accident and infectious hazardous waste management. 8. Emplacement 2. Observation of employee housing facilities, water facilities, places of worship, and sports facilities provided by the company. 9. Barn Owl Box, Block S53 and S52 Division 1. Observation rat control by using <i>Tyto alba</i> as natural predator. 10. Harvesting, Block S52 Division 1. Observation and interview harvesting and picking activities with supervisor and harvesters regarding to harvesting rules, payments, safety procedure and complain mechanism. 11. Spraying, Block P59 Division 2. Observation and interview of weeding activity with supervisor and spraying team regarding to spraying procedure, PPE using, pesticides management and regularly medical check. 12. Erosion Control Point, Block L58 Division 3. Observation monitored erosion risk in sloppy area. 13. Block T56, riparian buffer zone of Petanang River: chemical application boundary available (50 meters left and right side of river), buffer zone protection signboard available, <i>vertiver grass</i> to prevent erosion. 14. Land title boundary marker number 89 at block S60: boundary marker in good condition and maintained. 15. Land title boundary marker number 90 at block M 63: boundary marker in good condition and maintained. 16. Block H51: water reservoir with dyke to prevent inundation inside plantation area 17. Block K55: buffer zone of Lakitan River with dyke to prevent flood and inundation during rain season, HCV signboard available. <p>Muara Kandis Estate</p> <ol style="list-style-type: none"> 1. Fertilizer Warehouse. Observation storage and manure management 2. Warehouse of Agrochemical. Observation storage and management of chemicals used by the company in the form of herbicides, fungicides, pesticides and insecticides. 3. First Aid Post. Interview with paramedic about health program, medical checkup, handling work accident and infectious hazardous waste management. 4. Emergency Response Post. Observation availability fire safety facilities. 5. Warehouse of Hazardous waste. Observation storage and waste management activities hazardous waste. 6. Employees Housing Estate. Observation of employee housing facilities, water facilities, places of worship, and sports facilities provided by the company 7. Spraying, Block L35 Division 1. Observation and interview of weeding activity with supervisor and spraying team regarding to spraying procedure, PPE using, pesticides management and regularly medical check.

8. **Marginal Area, Block J37 and K38 Division 1.** Observation of strategy and implementation management in marginal area.
9. **POME Application, Block K33 Division 2.** Observation waste water usage as organic fertilizer.
10. **EFB Application, Block K31 Division 2.** Observation of EFB usage by mechanical equipment (EBS) with dosage 40 ton/Ha/2 year.
11. **Barn Owl Box, Block L32 Division 2.** Observation rat control by using *Tyto Alba* as natural predator.
12. **Boundary marker number 10 at block C18:** boundary marker in good condition and maintained.
13. **Boundary marker number 105 at block C33:** boundary marker in good condition and maintained.
14. **Block L7 (entry gate to PT. DSL):** buffer zone of Bakul River was temporarily inundated, PT. DSL plantation reach the buffer zone of Bakul River.

Muara Kandis Mill

15. **FFB entrance.** Observation and interview with PIC about FFB receive from security, weighbridge too grading process.
16. **Processing FFB.** Observation and interview with operator such as sterilizer, clarification, nut and kernel, engine room and boiler about working procedures, payment, PPE using, regularly medical checkup and complain mechanism.
17. **Workshop.** Observation repair and maintenance machine activity.
18. **Waste Water Treatment Plant.** Observing the condition of the facility, how it is managed, the understanding of the PIC regarding his/her duty, the operational of the WWTP equipment, the monitoring system and the recording and communication to other related division in this case is the laboratory division and land application. Lack of protector fence to prevent access of un-authorized, some ponds not in optimum condition due to sediment, land application pump works well, signboard available.
19. **Hydrant dan APAR.** Observation and simulation hydrant system as fire emergency response.
20. **Grading station:** observation of work place and interview with grading team. Grading team understand standard procedure and aware on safety aspect. All team members is permanent staffs.
21. **Chemical warehouse:** warehouse equipped with fire extinguisher, MSDS, shower for emergency case, first aid, and appropriate hazard symbols.
22. **Water treatment plan:** equipped with flow meter for inlet and outlet. SOP available, MSDS available, Clean environment, logbook available.
23. **Drainage:** rain drainage separated from contaminated water. Contaminated water channeled to sedimentation pond and pumped to waste water treatment plant.
24. **Scheduled waste storage:** Observing the condition of the storage, the recording mechanism, the understanding of the personnel in charge on his duty and how the hazardous waste is kept, categorized and grouped. Storage equipped with first aid box, symbols, eye washer, oil trap for lubricant waste, log book available, SOP available.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

- ASA-1** Consultation of stakeholders for PT Djuandasawit Lestari was held by:
1. Public Notification in the MUTUAGUNG LESTARI Website on March 11th, 2016.
 2. Public consultation NGO (Sawit Watch, WWF, WALHI, *Perkumpulan Pembaharuan Hukum Berbasis Masyarakat dan Ekologis*, Greenpeace Indonesia, and *Aliansi Masyarakat Adat Nusantara*) with sent questionnaire via Email on March 23rd 2016.
 3. Public consultation with government agency District of Musi Rawas (Plantation Agency, Labor Agency, Environment Bodies, National Land Agency) on March 29th, 2016.
 4. Public consultation meeting with local stakeholders conducted by visits to villages (Karya Mukti Village, Lubuhsari – Lubuktua Village, Muara Megang Village, Lubuk Pandan Village and Karya Sakti Village) on March 29th 2016.
 5. Public consultation meeting with other stakeholder (Worker Union, Gender Committee, and Contractor Local) on March 29th 2016.

	Numbers of input from stakeholders were clarified by PT Djuandasawit Lestari see at point 3.6 Summary of Arising Issues from Public, Management and Auditor Response
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-2) will be determined one year after this ASA-1 (<i>March 2017</i>).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Muara Kandis Mill – PT Djuandasawit Lestari subsidiary of Golden Agri Resources Holdings Ltd operation consisting of one (1) palm oil and two (2) estates.

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicator, three (3) nonconformities were assigned against Minor Compliance Indicators; and no nonconformance against supply chain requirement for CPO mill and four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has not yet prepared and implemented the corrective action (s).

MUTUAGUNG LESTARI found that of Muara Kandis Mill, PT Djuandasawit Lestari, Golden Agri Resources Holding Ltd not complied with the requirements of **RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013** and **RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)**.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has mechanism of Information Sharing in SOP of Communication and Consultation (SOP/SMART/UMUM/SADV/II/2004) which was ratified on July 1, 2014 by the Sustainability Division Head. In the document regulated the procedure of submission and response flow of information from both internal and external stakeholders.</p> <p>Each letter of request for information coming in, the responses were made by the head unit at the latest three weeks after the letter was received. Base on SOP Types of public information for stakeholders No. F/SMART/UMUM/SADV/004/003 approved by the manager MKMN on 3 September 2015, a list of information that can be opened to the public and set up procedures for obtaining information on environmental, social and legal.</p> <p>The mechanism of information sharing were as follows:</p> <ul style="list-style-type: none"> • Each letter requests for information received will be recorded in the book of incoming mail by SPO Officer. • The letter will then be submitted to the head unit to be examined • If the letter request for information is listed in a list of public information, it will make a response plan by the unit head, but otherwise it will be asked to top management considerations. • Top management will consider and determine the response and coordinate with the relevant departments if needed • Provision of information to be presented to the stakeholders requesting information comes with an official receipt and recorded in the book document communication and consultation. • Provision of information to be presented to the stakeholders who requesting information equipped with an official receipt and recorded in the book document communication and consultation 	

Company to update stakeholders 6 months conducted by SPO Region South Sumatera 1. Based on interviews with stakeholders (such as contractors FFB) note that the company has conducted socialization types of information that can be obtained and the procedure for obtaining information.

1.1.2

In each unit has a communication book documenting incoming request letter to the unit, it was recorded and documented in the book. Each incoming letter response planning must be made by the head unit no later than three weeks after the letter, sample letter requesting information was entered and the company's response is as follows:

- Muara Kandis Mill: Labour Agency at Musi Rawas Regency has sent a letter of No. 560/220/IV/Nakertrans/2016 dated 25 February 2016 regarding the encouragement of industrial relations with the employees who did not agree with the decision of the company and the company receives a response from the recommendation of the agency
- Muara Kandis Estate: Pesantren Darul Sakti Sub district Muara Keling has submitted a proposal dated 5 February 2016 a request for help to fund religious activities at *Ponpes Darusakti* and training PC GP Ansor Alamah and assistance provided by the company in the form of grant support of amounting to 300 thousand rupiah on 10 February 2016.
- Muara Tawas Estate: There is request bipartite negotiations of DPC NIKEUBA letter No. 03/DPC/FSB NIKEUBA/III/2016 on March 9, 2016 and the company has responded by sending a reply letter that contains the answers to the bipartite negotiations on 15 March 2016.

Status: Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

The company can show a list of information that can be accessed by stakeholders by SOP No. F/SMART/UMUM/SADV/004/003. The SOP has been approved by the manager MKMN on 3 September 2015. In the SOP mentioned in the list of information that can be opened to the public, namely:

- Information on the number of employees and a list of basic salary
- Information Data a tax ID
- Information payment of local taxes / levies;
- Information on the environmental document;
- Information of certificate of incorporation and the deed of amendment, a data the total area and production, and application data
- Information of land use title
- Information of social impact document
- Information on community empowerment program report
- Information report of Guiding Committee of Occupational Safety & Health
- Information document sustained improvement program
- Information document RSPO audit reports; Information document human rights policy
- Information Grievance

As described in the SOP of Communication and consultation at point 2.4.4.b stated that: if the requested information is not contained in the list of the information in the document list of information to stakeholders, it would require top-management considerations. The Company has conducted socialization associated with a list of information that can be accessed by stakeholders. The socialization activities have been carried out on 10 October 2015 at Petrans Jaya Village, Tugu Sempurna Village, Karya Sakti Village. For each of socialization activities have provided evidence of minutes of meeting and attendance documentation socialization participants.

Status: Comply

1.3
Growers and millers commit to ethical conduct in all business operations and transactions.
1.3.1

The company has had a policy of ethical business principles that have been endorsed by Production Controller on August 01 2014. The policy states that the company is committed to continue to practice responsible business ethics referring to the company's Shared Values of Integrity, Positive Attitude, Commitment, Sustainable Improvement, Innovation and Loyalty and in accordance with the rules, principles and criteria for sustainable palm oil. The Company had no tolerance for any act or form of corruption in the practice of deploying and all forms of business practices carried out by way of a transparent and open.

The policy has been socialized to employees September 8, 2015 and November 5, 2015 (available document attendance and photo socialization). Based on interviews with workers workshop and warehouse clerk informed that workers already know company policies related to business ethics principles.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS
2.1
There is compliance with all applicable local, national and ratified international laws and regulations.
2.1.1

CH showed some evidences over its compliance toward the applicable regulation, for example related to the field OHS, the legality of land, environment, best management practices and good manufacturing practices.

Evidence of compliance toward the occupational health and safety regulation, such as:

CH consistently apply the compliance with legal and regulatory requirements in the field of OHS on the operational activities of the Mill and Estates. In the ASA-1 activity there is some additional evidence of compliance related OHS field, for example operator boiler has the occupational health and safety license No. 15.P.1408.OPK3-PUBT-B.I/II/2015 that is valid until 27 February 2020 and No. 15.P.1408.OPK3-PUBT-B.I/II/2015 at is valid until 23 December 2018 based on Ministry of Manpower Decree No. 01 in 1988.

Compliance toward the legality regulation, such as:

There are no changes associated with the fulfillment of legal compliance in the field of land the company has consistently perform in accordance with the plantation management of land ownership.

Compliance toward the Environment regulation, such as:

- Land application permit update
- Scheduled waste permit update
- EIA
- Report of environmental management plan and monitoring plan
- Periodic POME management

Compliance toward the best management practices and good manufacturing practices, such as:

Until ASA-1 company consistently compliance with legal and regulatory requirements applicable to the agronomic aspects of the estate and processing of the mill.

2.1.2

There is a list of compliance with rules established by PT DSL for each field, List of Legal and Other Requirements Employment Field (F/SMART/GENERAL/SADV /002/001) are updated on March 1st, 2016, List of Legal and Other

Requirements Sector Employment (F/SMART/GENERAL /SADV /002/001) are updated on February 27, 2016, List of Legal and Other Requirements field of HCV (F/SMART/GENERAL /SADV /002/001) are updated on September 8, 2015, and the List of Legal and Other requirements field OHS (F/SMART/GENERAL/SADV /002/001) are updated on September 8, 2015.

2.1.3

CH consistently carries out the evaluation of compliance with applicable legal requirements in accordance with SOP Rules and Other Requirements (SOP/SPO/SMART/LH-03). Regulatory compliance evaluation conducted periodically (6 months) by the Assistant/Document Controller Staff assisted by the relevant department.

2.1.4

Evaluate Adherence to Rules, Regulations and Other Requirements Employment Field are updated on March 1st 2016, Evaluation of Adherence to Rules, Regulations and Other Requirements Field of HCV updated on August 11 2015, Evaluation of Adherence to Rules, Regulations and Other Requirements for Environment were updated on February 27, 2016, evaluation of Adherence to rules, Regulations and Other Requirements of Licensing Land Estates September 8, 2015, with the results of the evaluation are all regulations have been comply.

One proof of evaluation adjustments in regulations by the company, for example, related to the adjustment of the minimum wage for an update done every 1 year, which refers to the Decree of the Governor of South Sumatra No. 177/KPTS/DISNAKERTRANS/2016 on Sectoral Minimum Wage South Sumatra province in 2016 is set at 01 February 2016.

Status: Comply

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1.

Auditor observed that CH has a complete evidence of land ownership, as seen in the following records:

- Location Permits from local government with total area of 15.900 hectares, consists of three documents: 1) Location Permit from Governor of South Sumatera year 1993 for an area of 11,600 hectares, 2) Permit from Musi Rawas Regent year 1995 covering an area of 2,500 hectares, and 3) Permit from Musi Rawas regent year 1996 covering an area of 1,800 Hectares.
- Land Title certificate (HGU) for an area of 10,958.4 hectares, issued year 1999, valid for 35 years. Certificate is divided into two:
 - Land Title Certificate number 5 dated 08-03-1999 for an area of 2222.7 hectares
 - Land Title Certificate number 6 dated 08-03-1999 for an area of 8.735.7 ha.

Legality for plantation business also available in the form of:

- Principle Business Permit from Minister of Agriculture, dated February 8, 1995 for an area of ± 12,000 Ha.
- Plantation Business Registration from Minister of Agriculture, issued on October 9, 2000 (number 107/Mentanhut-VII / 2000) for an area of 10.958.4 hectares and mill capacity of 60 ton FFB/hour.

Nevertheless, during field observation in plantation boundary (Division IV, Muara Kandis Estate), auditor observed that actual planted area of MKNE reaches riparian area of Bakul river. Meanwhile, according to legal boundary map (as seen in attachment of Letter from Director of PT. DSL to Environment Bodies District of Musi Rawas dated May 22, 2015), Bakul River is located far from the estate boundary. This indicates that planted area of MKNE exceeding landtitle boundary (most notably planted area between land title boundary and Bakul River). PT. DSL has not yet provided adequate explanation on that issue. **Non Conformity 2016.1 with Category Major 2.2.1**

2.2.2

Auditor observed that PT. DSL has made demarcation of legal boundary as indicated by the following records:

1. Map of land title boundary from National Land Administration which contains boundary map in accordance with land title certificate.
2. Map of the land title markers, scale 1: 50,000, in accordance with the land title certificate year 1999.
3. Table of coordinates of land title markers, there are as many as 166 boundary markers along the boundary.
4. SOP of boundary markers maintenance in SOP number SOP/SMART/CERs-ESHDS/SADV/I/004 dated January 2, 2014. SOP describes the step of marker maintenance, reporting, and document storage.
5. Programmed of boundary marker maintenance and reporting. Monitoring report shows that in Muara Tawas Estate, there are 42 stakes remains and in Muara Kandis Estate there are 33 stakes remains. All of the remaining boundary markers are located in effective land title plantation, while in conflicted area (HGU that not yet acquired), boundary markers cannot be maintained due to land conflict reason.

Field observation on boundary marker number 89 (block S60) and marker number 90 (Block M 63) in Muara Tawas Estate showed that most of boundary markers are still in place with good condition and well maintained. In Muara Kandis Estate, observation was made on sample number 10 (block C18) and marker number 105 (block C33) which also showed that the marker still in place with good condition.

2.2.3

Document verification showed that all stages of land cadastral (land title) registration had been completed as seen from the following documents: location permits, examination by the Committee "B", Issuance of SK HGU (see indicator 2.2.1). Report of legal status examination by committee "B" (in the process of HGU) stated that land title (concession) area is state owned land, however, there are some parts of the land that are utilized by community for agriculture or overlapped area (\pm 3,295 hectares).

For plantation area (land title) that overlap with villager's claimed land, CH has undertaken land acquisition with a Free and Prior Informed Consent approach, as indicated by the following records:

1. Minutes of meetings and outreach to community of Karya Sakti, Petrans Mukti Jaya, Muara Kelingi, dated June 30, 1994, led by head of Sub district Muara Kelingi and was attended by army, the police chief, village heads, representatives of companies and public figures (list of attendance available). The meeting provided socialization plan of plantation development and gathered input from the community associated with the land held by the public.
2. Report of inventory of crops belonging to the community in the area which will be used as plantation, attended by the local government and villagers.
3. Minutes of the Meeting of Land Acquisition Inventory dated 13 November 1996 which was attended by Head of Muara Lakitan village, Head of Megang village, Muara Lakitan Military Chief, Muara Lakitan police chief, the head of Lubuk Pandan Village, Head of Muara Megang Village, and PT. Djuandasawit Lestari.
4. Report of crops inventory, land claimer, location map of arable land boundaries.
5. Letter of willingness to release the land, signed by the land claimer and acknowledged by the village chief and the head of sub district.
6. Report of compensation payment in the form of: crops inventory results including map, a statement of willingness to relinquish land, receipt of compensation payments, payment processing photos, Letter of Recognition of Rights signed by the claimer and signed by the village head as well as witnesses, deed transfer rights issued by a local mayor.

Of the entire concession area, there are still approximately 4,212.53 hectares of land that could not be acquired because the land owners/claimers are not willing to relinquish the land. For those lands, CH set the land as reserve lands (inside land title) and respecting claimer's decision by not forcing to acquire it unless there are agreed compensation upon both parties.

CH has made agreement with land owners and claimers as shown by the Agreement Document dated July 15, 2014 signed by both parties witnessed by the village chief who explained that the use / utilization within the concession area has been agreed by both parties and that there is no longer conflict between the company and the people who claim the

land.

2.2.4

By the time ASA-1 audit was held, there were still 6 cases of land conflict with total area of 33 hectares mostly in the form of re-claim on the land that had previously been compensated. Efforts for settling the conflict has been taken through dialogue and formal mechanisms (if the dialog does not work) have taken it as described further in the indicator 6.2.1.

1. Land claims by Fahmi in block H18 of 9.5 hectares began on July 15, 2013. The area cannot be harvested. Compensation ever awarded to Munsri, Jamil, Ilyas, and Japar 1996 (the documentary evidence available).
2. Land claims by H. Shihab in Block J28-29 18 hectares started on January 15, 2010. The land cannot be harvested. Compensation ever awarded to Romsy, Cik Nang, Solam, Jamudin, and Kohar in 1997-1998 (the documentary evidence available).
3. Land claims by Sabiq Bin Ahmad Latif Block B15 2.4 hectares commencing on November 13, 2013. The land could be harvested. Compensation ever awarded to H. Kosin 1999 (the documentary evidence available).
4. Land claims by Irwansyah in Block C12 2 hectares commencing on January 2014. The land cannot be harvested. Compensation ever awarded to Tholib and Gani 1995 (the documentary evidence available).
5. Land claims by Imi Bin Riduan in Block D23 1.5 hectares began in August 2010. The land could be harvested. Compensation ever awarded to Iwan Bin Parjen 1999 (the documentary evidence available).
6. Land claims by Mus Block D23 area of 0.2 hectares began in August 2010. The land could be harvested. Compensation ever awarded to Iwan Bin Parjen 1999 (the documentary evidence available).

Public consultation with surrounding villages confirmed that in some land conflicts are stil going in PT DSL area. All of them are individual claim on PT. DSL's land, mostly due to improper land acquisiton in the past. Some of the conflicts have been resolved with negotiation or formal ways (court), while some are still going and under negotiation. So far no report on coercion or usiong of violance for resolving the conflict.

2.2.5

CH has mapped the location of all disputed land based on the claims made, in cases of double claims, the mapping is done based on the location of the boundary claims in the field. Companies overlaying between locations with a map of the compensation claim ever done.

Example:

1. Mapping the location of land claim by H. Shihab in Block J28-29 18 hectares 5 hectares started on January 15, 2010. Claim boundaries are stakes by claimant. CH has been doing overlay between land claim map and land compensation map which showed that actually entire area had been previously compensated. Since the claimant did not accept the evidences, the case is taken to the courts.
2. Mapping of land claim by Fahmi in block H18 of 9.5 hectares.. A number of meetings have been held (four times) during the years 2013-2014. Overlay analysis showed that compensation ever awarded for the parcel.

2.2.6

For land conflict resolution, mechanism available in SOP number SOP / NP / SMART / VII / D & L002 dated July 1, 2010. Verification of documents and discussions with stakeholder shows that all dispute resolution process done by negotiation, payment of compensation, ex-gratia payments, or through legal action. There is no evidence of the use of force in the resolution of land disputes.

Documentation of completion of a number of cases through negotiation and legal means such as:

1. Land dispute with Aslal Bin M. Diah on a land area of \pm 6 hectares. Evidence of conflict resolution available in the form of correspondences, reports to the police, final court decision, report of conflict case to the regent, and evidence of donations by companies to the claimants.

<p>2. Land dispute with the Amiruddin on a land area of 32.5 hectares. Settlement is carried out by means of consultation and compensation payment according to the agreement on July 19, 2013</p> <p>3. Land dispute with Harun on a land area of 80 m2 which began on November 29, 2013. CH has taken steps to resolve the dispute through joint validation, discussions that ended with the recognition of land title by claimant.</p>
<p>Status: Non Conformity 2016.1 with Category Major 2.2.1</p>
<p>2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p>
<p>2.3.1 From document verification and public consultation with stakeholders, auditor observed that there is no indication of overlap between plantation land and traditional rights or communal customary right's land. The following evidences are available:</p> <ol style="list-style-type: none"> 1. Examination of land status by the Committee "B" (land title verification team) of Land Administration Office of South Sumatra dated August 11, 1998 stating that the plantation land comes from Free State land or arable land of individual. There is no land considered sacred, cemetery, or communal land 2. SIA document that describe profile of surrounding communities consisting of immigrants and indigenous communities. In general, no identified indigenous institutions that are still effective and there is no area belongs to indigenous people. Land ownership is in the type of individual land from inheritance or purchase. 3. Minutes of meeting of socialization prior to plantation development. <p>2.3.2 As guidance of land clearing, SOP on land acquisition available which describes steps of land acquisition (socializing, inventory, measurement, negotiation, consultation, until the payment of fair compensation).</p> <p>Of the entire concession area, approximately 4,862.6 hectares had been acquired voluntarily. As evidence of FPIC, there are minutes of meeting of socialization series prior to plantation development attended by Land Acquisition Team and local government dated on 13 November 1993. The meeting agreed that CH will pay compensation for any land belongs to community according to actual inventory result</p> <p>Besides plantation land that has been compensated, there are small portion lands that could not be acquired because owners are not willing to release their land. For lands with strong evidence of ownership, CH respects their rights even though they are located inside land title. CH does not force the owner and these lands stated as reserve lands.</p> <p>2.3.3 Document verification shows that all relevant information have been provided in appropriate language, including all community outreach document, land acquisition agreement, minutes of meeting, EIA, etc. Community around the plantation entirely of ethnic Malay and Javanese who are already familiar with Indonesian language.</p> <p>2.3.4 According to stakeholder consultation and document observation, it is known that in all agreement making, communities have been represented through institutions or representatives of their choice, including legal counsel. In cases of land conflict or dispute, CH always directly negotiates with the claimants as described in the previous two criteria.</p>
<p>Status: Comply</p>
<p>PRINCIPLE #3 Commitment to long-term economic and financial viability</p>
<p>3.1 There is an implemented management plan that aims to achieve long term economic and financial viability.</p>

3.1.1

The financial budget have been prepared at the document long-term work plan for the years 2014 - 2018 that was approved by top management. In the planning document described the target company include production estimates (CPO and PK), operating costs (estate and mill), price, and other financial parameters.

The Company has evaluated the long-term budget projections with the achievement of 2015. Based on the results of the evaluation in 2015 the achievement of total sales compared with the budget in mind under budget by 22%, this is due to not achieving the production due to long dry season in 2015.

The company has been conducting financial audit by public accountants the year ended 31 December 2014 were carried out by Tanubrata Sutanto Mahmi and Partners by letter No. 38/5-D008 / ISW-1 / 12:14. Based on the audit results are known, the financial data are presented fairly, in all material respects, the financial position of DSL dated December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with financial accounting standards in Indonesia.

3.1.2

The Company has a replanting program documents within a period of 5 years ie in 2020 covering an area of 896.52 ha for Muara Kandis Estate. The program was approved by the Directors on 28 September 2015.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1
Operating procedures are appropriately documented and consistently implemented and monitored.
4.1.1

PT. Djuandasawit Lestari has had documents of SOP-IK Technical of Oil Palm Cultivation starting from land clearing up to harvesting drafted by team of MCAR (*Management Committee Agronomy and Research*) in 2012. The SOP documents among others about Planning of New Area Planting, Replanting Plans, Nurseries, Land Clearing, planting, replanting, Pest and Disease Control, Weed Control, Fertilization, Maintenance of Immature plant, Preparation Ahead of Harvest, Harvesting, Loading and Transportation of FFB and Measurement of Rainfall by *Ombrometer*.

The Company also has a complete SOP associated with the processing of palm oil into CPO and PK in the palm oil mill contained in the SOP/SMART/MCMD/I/TMM-PKS. SOP has arranged by Chairman MCMD and approved by Head of Upstream force on December 6th 2013. The SOP includes standard operating procedures in POM include: FFB reception station, sterilization activities, threshing station, press station, clarification station (purification), clarification station; Oil recovery tank substation, nut and kernel station, boiler and engine room, water treatment, final effluent, storage tank washing. All SOP (estate and processing) documented in Indonesian language which is easily understood by all levels of workers.

Based on interview with pesticides applicator team in block P59 MKNE and block L35 MTWE, all team members has understood and can demonstrate good chemical weeding procedures. All team members have been using adequate PPE and can demonstrated safety works. For example, do not spraying downwind to reduce poisoning risk, do not lift nozzle too high to maintain spraying spectrum and do not applied pesticides in riparian zone.

4.1.2

To ensure consistency of procedures implementation, the companies routinely conduct internal audit activities both agronomic and processing. It held by the Department of Operational Internal Audit (OIA) every semester. The records of internal audit second semester 2015 (October – November 2015) has documented. Non-compliance records of internal audit has corrected and verified by top management such as manager, RC and VPA.

4.1.3

The company has documented all activities e.g. fertilization. All fertilization activity reported to estate office by supervisor every day. Based on that report, head office clerk will accumulate the sum of all fertilization activity as online and real time report. This report namely as fertilization monitored report.

Based on the documents review and field visit, it can be concluded the company has documented, implemented and monitored the procedures time by time.

4.1.4

Muara Kandis Mill using SCCS Module E which is Mass Balance that allows the mill received FFB from another supply bases even not certified. All FFB purchasing set by FFB Purchasing and verified by Purchasing Department. The company has several purchasing agreement with scheme smallholder cooperation e.g. Sadar Sejahtera Cooperation and Pandawa Sakti Cooperation. Those FFB purchasing has set agreement to ensure all FFB coming from legal area. All FFB received in mill documented in daily report of mill.

Status: Comply

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

4.2.1

The company has implemented practices to optimize production rate in accordance with the established procedures, among others;

1. Sampling of Soil and leaves by SMARTRI regularly to make sure the elements that plants need in order to produce optimally. Results of soil and leaf analysis that tested will be the basis for determining the dose of fertilizer in each estate.
2. Fertilization activities that emphasizes the principles of timely, targeted, precise dosage and proper application. Besides that, there was an EFB extra with dosage 40 ton/Ha/year for the marginal soil.
3. POME application in MKNE to enrichment soil fertility.
4. Maintenance of ground cover plants to reduce evaporation (keeping the soil moisture). For example, planting beans and maintenance the fern (*Nephrolepis bisserata*). To all sprayers always informed on the morning briefing to not spraying the plant.

4.2.2

Fertilization is one of the largest cost components in the treatment of oil palm plants. Its costs can reach 75% of total operating costs. Hence, all fertilization activities must be recorded properly. One of the documents is fertilization program. According to its document, the type of fertilizers used in estate was Borate, Kieserite, MOP, Rock Phosphate, Super Dolomite, TSP and Urea. While organic fertilizer from mill process such as EFB and POME only applied in MKNE.

4.2.3

Companies routinely conduct a SSU and LSU. SSU conducted every 5 year for trees age 3, 8, 18 and 23. LSU conducted every year. The Parameter being analyzed in SSU were KA, N, P, K, Mg, Ca, Mn, B, Zn, Cu, Cl, Fe and Na. Meanwhile, parameters being analyzed in LSU were pH, C, N, P, K, Mg Total, P Bray 1 and KTK. The testing result might be used by SMARTRI to determine fertilizers recommendation. Both activity results will be a basis data for formulating fertilizers recommendation by SMARTRI.

During this audit, there is no replanting activity. However, the company using organic waste by mill process to increase soil fertility such as EFB and POME. Based on the technically reason from SMARTRI, EFB only applied in MKNE. Auditor was observed EFB application through mechanical method using EBS in block K31 MKNE. According to SOP,

recommendation dosage is 40 ton/Ha/2 year. The activities show the company strategy to enrichment organic contents in soil especially for marginal soil. Moreover, EFB also functioned as mulching to keeping the soil moisture in dry season and reducing run off in rainy season.

4.2.4

Based on field visit to block K33 Division 2 MKNE, the company also applied POME which called land application. The dosage using 375m³/Ha/year. It applied in flat bed with dimension 1.5 m x 1.8 m x 0.4 m. To ensure protection on ground water, the company has set a couple monitoring wells. So far, there was not indicating a water contamination due to land application installation leakage.



Picture 1: EFB application



Picture 2: POME application

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Plantation Monitoring And Planning Division Department (PMNP) has conducted land suitability mapping on 2007. Based on the PMNP report, there is 783.42 Ha area in MKNE indicated as land suitability class N (not suitable) which is drainage as limiting factor. All land suitability class in each estate is well mapped.

Land suitability map in MKNE documented with scale 1:75,000 and MTWE mapped with scale 1:60.000.

4.3.2

Based on land suitability class above, sloppy level in between 0 – 30%. More specific, 15 – 30% sloppy area is in MKNE. Land management that has been set as follows:

1. Erosion monitoring point in block K32 division 2 MKNE. Monitoring report shows there was no erosion in that area.
2. Fern upkeep for protect run off especially in rainy season.

Generally, there was no erosion risk in all area of PT Djuandasawit Lestari because there is no extreme sloppy area >40%.

4.3.3

The company has had yearly roads and bridges maintenance manual or mechanical method. For example, work program of road grader in MTWE. To ensure quick-dry road, there is frond cutting activity that covering roads. During the audit, huge rainfall volume in a previous day makes some road damage. It because drainage system cannot handling a huge water volume.



Picture 3: roads with poor drainage



Picture 4: repaired drainage and hardening roads

Due to the road problem above, the company has set program to repaired road damage through a road damage mapping. Based on that mapping, the company has set a several step such as hardening, elevating or repair drainage system. To support the program, the company has had heavy equipment such as road grader, roller, tractor etc. The company has a chance to optimizing road maintenance strategy especially in extreme condition (huge rainfall volume) and to ensure road maintenance plan goes well. **OFI**

4.3.4 and 4.3.5

Land suitability mapping that conducted by Plantation Monitoring And Planning Division Department (PMNP) on 2007, shows there is no peat area in PT Djuandasawit Lestari.

4.3.6

Based on land suitability mapping that conducted by Plantation Monitoring And Planning Division Department (PMNP) shows on 2007, there is 783.42 Ha area in MKNE indicated as land suitability class N (not suitable). The company could not indicate the strategy and implementation of management of the area. **Non Conformity No. 2016.2 with Category Minor 4.3.6**

Status: Non Conformity No. 2016.2 with Category Minor 4.3.6

4.4

Practices maintain the quality and availability of surface and ground water.

4.4.1

The company has shown evidence of water management activities such as drain flushing activities, planting *vertivergrass* on the river banks, the installation of spray boundaries, creation of embankments, etc. However, these activities have not been set out in a document of water management planning in PT DSL **Non Conformity No. 2016.3 with Category Minor**

4.4.1**4.4.2**

The company has identified the source of the water and swamp area; in the topographic maps showed that the area of Muara Kandis and Muara Tawas Estate dominated by a class of flat land, with a slope of 0-16 percent. Based on topographic maps area of Muara Tawas and Muara Kandis Estate, there's Petanang river border, Temani river border, Bakul river border which is part of the watershed of the Lakitan river. The company has had some SOPs regulating the management and maintenance of water sources, among others:

- SOP/SPO/SMART/LH-05 in term of maintaining water supply and quality. This SOP contains description of type of activity conducted to maintain water supply and quality by planting Guatemala plant in riverbanks, conducting plant maintenance manually in riparian area.
- Protection of riparian area with document number SOP/SPO/SMART/LH-06. This SOP contains procedure like: Making palm oil planting prohibition in riparian area width 50 meter left and right, making prohibition to cultivate land in riparian area, making of boundary (*peringgan*) road in managed and protected area.
- Management of riparian area with document number SOP/SPO/SMART/LH-07. This SOP contains procedure like: Prohibition of chemicals usage in riparian area width 50 meter left and right of the river and planting on high land slide risk river cliff with plants which able to avoid erosion.

The Company has management activities to protect border river areas and water sources. Activities that have been carried out are:

- Drain flushing activity such as that implemented in Muara Tawas Estate along the 1,100 meters in February 2016
- Maintenance Border River and monitoring of plant growth *vetiver grass* at the edge of the border river. Based on the results of monitoring in Muara Kandis Estate known *vertiver grass* growth has been achieved > 80%.
- Installation of the boundary spray and mark a cross on a palm tree with a distance of 50 meters from the river and the installation of signs prohibited spraying. Based on the results of field visits at Petanang river and Temani river, the company has put up signs ban on pesticide application and installation of boundary markers spray
- Socialization of spray boundaries to employees sprayed on the prohibition of the use of chemicals in Border River as wide as 50 meters left and right of the river. Based on interviews with spray teams in MTWE and MKNE known the company has conducted of socialization activities related to limit pesticide spray applications to employees spray and they understand the boundaries that should not be applied pesticides.

The company also monitor the quality of surface water includes water reservoirs and river water. monitoring surface water quality implemented in the Reservoir, Temani river, and Petanang river. The analyzes were performed by the Environmental Laboratory Unit of the Environment Agency of South Sumatra with accreditation number LP-231-IDN. Based on the results of monitoring known that plantation activities do not cause environmental pollution. This was based on water quality test results that indicate that the water quality was still in accordance with the standard class 1 (Governor South Sumatra Regulations No.16 year of 2005).

4.4.3

The company has been conducting monitoring of groundwater quality monitoring wells to monitor groundwater contamination levels as a result of the application of wastewater as used as fertilizer. Analysis of water quality monitoring conducted by UPTB Environmental Laboratory Environmental Agency of South Sumatra with accreditation number LP-231-IDN. The number of monitoring wells was 4 unit wells. From the analysis of the water quality monitoring wells is known that the use of wastewater for fertilization has no effect on groundwater quality. It is based on all the parameters that were analyzed in accordance with the quality standards set namely Regulation of Health Minister no 416/1990.

For liquid waste management, the company has 6 ponds WWTP with a capacity 15000 m3 for each pond. Wastewater

management system is done by multi feeding i.e. by dividing the waste stream to each pond and each pond is connected to pond outlet to be pumped to an area of land application of wastewater fertilizer. Analysis of wastewater quality monitoring conducted by UPTB Environmental Laboratory Environmental Agency of South Sumatra with accreditation number LP-231-IDN. The quality of waste water has been applied in accordance with the applicable regulations, namely the parameters for BOD was <5000 mg / l (MOE Decree No. 28 of 2003). Effluent quality monitoring results are as follows

BOD Effluent semester II 2015.

Parameter		Outlet WWTP						Standard
		July	August	Sept	Oct	Nov	Des	
BOD	mg/l	3482	2650	2120	2450	1590	4090	5000
pH	mg/l	7	7	7,02	6,81	6,84	6,74	6 - 9

Companies utilizing wastewater for fertilizer as one attempts to use waste water in the plantation. The company has licensed the use of wastewater for fertilization from the local government, namely the decree of Regent of Musi Rawas Regency with number 449 / KPTS / BLHD / 2013 regarding the extension of the permit to use waste water of industry palm oil at oil palm plantation land PT Djuandasawit Lestari when ratified on July 5, 2013 by the Regent of Musi Rawas and validity period 3 years after approval.. Based on permit from government, area allowed to do the application of wastewater for fertilization are on the block K30, K36, L28, L33, M30, M32 covering an area of 380.8 ha at Muara Kandis Estate. Based on the results of the visit in the area of wastewater applications it is known that the company has executed the application of waste properly and there are no leaks in the waste water Fled bed and there was no leakage of waste water in the ditch that flows to the river

4.4.4

Based on the results of the visit at the Water Treatment Plant is known that the company had been monitoring the use of water by a flow meter, both for domestic use and for processing FFB The. flow meter is functioning properly and the use of water has been recorded in logbook every day by officers WTP. The company has documented the use of water in the plant is divided into processes, staff housing, housing workers, and office. Use of water for processing FFB during 2015 ranged from 0.95 M3 / ton FFB from the company budget by 1.12 M3 / ton FFB.

Status: Non Conformity No. 2016.3 with Category Minor 4.4.1

4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

4.5.1

Pest and Disease (P&D) control activity has set at the SOP of Pest and Disease Control (Management Committee Agronomy and Research/MCAR). It intended as a guide in the Integrated Pest Management activities. Controlling activity covering early warning system, census, SMARTRI recommendation, control and evaluation. Moreover, economical threshold infestation of caterpillar, rat and *Oryctes rhinoceros* are 5% from sampling trees.

Based on document review and field observation, several routines activity that held by the company is early detection and caterpillar census (4 round a year) and rat census (3 round a year). Caterpillar and rat is main pest in management area. Census report in 2015 and 2016 shows that no pest and disease infestation above economic threshold. Therefore, there is no specific treatment has been done. Although, the company has set some effort to controlling pest through using natural predator such as owl (*Tyto alba*) and planting beneficial plant (*Turnera subulata*, *Cassia tora* etc). so far, there was introduction of owl through barn owl box (BOB) in each estate. Monitoring shown that 125 unit BOB in MTWE and 148 unit in MKNE.



Picture 5: owl introduction as rat predator



Picture 6: planting beneficial plant

4.5.2

Pest and disease controlling team has organized very well. Upkeep staff coordinating a P&D supervisor and officer (generally, a supervisor supervise 4 officer). To increasing competency of each pest and disease officer, the company conducting yearly training. The last training has been held on October 7th 2015 in MKNE who attended by 33 participants from MKNE and MTWE. The training discussing about pest control, including early detection, census and natural predator usage.

During the audit, auditor has been interviewed pest and disease officer from MKNE. The officer can describe and demonstrated detection and census procedures very well. Moreover, he can demonstrate how to calculate infestation level.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1

Based on the observation of the document, the company uses five types of herbicides that used in operational activity in MKNE and MTWE. All pesticides used has been registered and the circular license is still valid as it appears in the book of Agriculture and Forestry Pesticide issued by the Directorate General of Fertilizer & pesticide Ministry of Agriculture of the Republic of Indonesia in 2014.

The company has guidance in pesticides application which documented in SOP weeds management named general instruction in safety working with pesticides/PUKBP (Doc. No. LAMP/VIII/TA-PGM/03-PUKBP). In those documents, there are several guidance about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case.

From the pesticides usage data above, all pesticides that using by company is for weeding (herbicides). Justifications of pesticides usage depend on weeding identification in field and PUKBP review. The type of weed is broad leaf, narrow leaf and wooden. Hence, herbicides that using was that herbicides as listed.

The company have a chance to evaluated pesticide usage (brand name: *Erkafuron*) that will be expired circulated permit on June, 23rd 2016. **OFI**

4.6.2

The company has documented records of pesticide toxicity (LD50) in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg. This document is constantly recorded and updated by the sustainability officer of estate each month.

4.6.3

Based on pest and disease census that has been done, it concludes until this assessment there was no massive infestation. All pest and disease infested below the economic threshold. So far, pesticides usage only for weeding. There is no pesticides usage for prophylactic use.

4.6.4

On the August 13th 2015, President Director of SMART, Tbk released memorandum No. 032/PD/VIII/2016 about the use of *paraquat diklorida*. In the memorandum reaffirmed that company no longer using *paraquat* since 2016. According to interview with spraying team MKNE and MTWE, there is no *paraquat diklorida* application for weeding since early 2016.

Based on bin card in agrochemical storage in MKNE and MTWE, there is no record of pesticides category 1A and 1B WHO that used by the company during 2015 – 2016.

4.6.5 and 4.6.9

All workers (chemical applicators) can describe and demonstrated safety pesticides usage regarding to MSDS. For example, PPE usage and emergency response for poisonous case. The MSDS has been stick in chemical storage wall or in first aid kit bag. Training record shown all chemical applicator has been trained in September 2015. All workers get briefing every morning before start work.

4.6.6 and 4.6.10

According to interview with supervisor and spraying team, the jerry cannot reuse. Former herbicides jerry cans washed and rinsed in the washing tank which is available in warehouse storage, and then returned to the warehouse to be returned via PT Primanru Jaya (legal hazard and poisonous transporter). Minutes of meeting on March 14th 2015 shows that manifest contain 1,039 hazards a poisonous material including former herbicides jerry.

4.6.7

The company has set some strategies to reducing risk and negative impact on pesticides use. As follows:

1. PPE usage such as safety shoes, apron, glasses, masker and hand gloves.
2. Extra food to reduce chemical effect. All chemical must drink a glass of milk after finished work.
3. Conducting annual medical check.
4. Socialization of MSDS every morning before start to work.
5. Pregnant or breastfeeding mothers not allowed working as chemical applicators.
6. Installation sign board in area which has been applied pesticides.
7. Installation sign board in area that prohibition to application pesticides in riparian zone. The signs such as red painted in trees in riparian zone to reducing water pollution.



Picture 7: signboard of prohibition to entering pesticides application area



Picture 8: signboard of prohibition to apply pesticides in riparian zone

4.6.8

Based on a review of documents and interviews with management staff, the company did not perform the application of pesticides from the air.

4.6.11

Annual medical supervision specific to the operator of pesticides have been routinely made in collaboration with Diagnostic Partner in the form of cholinesterase examination and *spirometry*. Health examination results documented in the recapitulation and evaluation for treatment if there are health problems in workers and follow up results of these evaluations is sighted by the company. The result of a medical examination on 28 September 2015 is known throughout the spraying workers MTWE and MKNE with cholinesterase levels in blood in normal limits, and otherwise in a condition fit to work. The results of interviews with workers spraying in Block P59 Division 2 MTWE and Block L35 Division 1 MKNE submitted that all workers medically examined on a regular basis and there is no indication of workers experiencing health problems from work.

4.6.12

The company has a Memorandum No 001/MEMO-VPA PSM2/04/2011 from VPA PSM-2 dated April 8, 2011 explaining that pregnant and breast-feeding women are prohibited from working as sprayers. The company has consistently apply the spraying activities are not carried out by women who are pregnant or breast-feeding with proven through field observations and interviews with workers spraying in Block P59 Division 2 MTWE and Block L35 Division 1 MKNE. From interviews and field observations are known not found women workers in pregnant or breast-feeding, as well as the workers understand the ban on female employees working with chemicals in pregnant or lactating.

Status: Comply

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

4.7.1

PT Djuandasawit Lestari has consistently documented the implementation of occupational health and safety policy, OHS procedures and OHS plans, covering all operational activities described in the work program OHS Committee. OHS policies are available in easily understandable language, approved by the Managing Director on November 1, 2013, which is the company's commitment to provide and maintain a safe working environment. The policy is communicated to employees through the morning briefing before work. OHS procedures are consistently applied to the operational activities of the Mill and Estate. OHS Plan described in the program OHS Committee has been compiled every year, for example, for the 2016 work program includes training activities in the field of K3, overseen by monitoring emergency response equipment, periodic medical examinations, monthly meetings OHS Committee, reporting per quarter to the Manpower Agency district of Musi Rawas.

4.7.2

The company has been making efforts for the entire operation that could threaten the safety and health risks have been studied in the document Hazard Identification Risk Assessment and Control (HIRAC). HIRAC for operational activities Mill and Estate updated annually. Preparation of HIRAC refers to the SOP/SMK3/HESS-EHSD/SADV/II/002, July 1, 2014. For

example HIRAC MKNM updated on January 16, 2016, with a renewed form of additional hazard identification at the workshop include risks of splashes of chemicals, the impact of such injuries on the body/blister, the following risk control plan is the use of glasses. The renewal is based on accidents in August, 2015.

The results of field observations in Station Boiler MKNM with the hazard of noise, heat, fire sparks, dust, etc, with controls that have been carried out by installing a safety sign, medical examination *audiometry* and *spirometry*, and the provision of PPE (masks, earplugs, gloves, helmets, and safety shoes). From the results of these observations in mind the company has implemented risk controls in accordance with the hazard identification is carried out on operations.

4.7.3

To ensure that the workers involved in the operations have been given training in safe work practices, then made observations on operational activities. For example in spraying activities in Block P59 Division 2 MTWE and Block L35 Division 1 MKNE that workers had been able to practice how to work safely. The safe working practices spraying activities include understanding how to pour poison in Knap sack, spraying is done so that the tip of the nozzle should not exceed the height of the waist, spraying is not allowed downwind, and before doing work activities of workers required to use PPE. In addition to the workshop in MKNM known to the workers understand the house keeping/ neatness of work, cleaning work used materials, waste handling and chemical, MSDS, and the use of tag out.

The results of observations on spraying activities in Block P59 Division 2 MTWE and Block L35 Division 1 MKNE, spraying workers known to have been equipped PPE of shoes, masks, helmets, gloves, apron and goggles. Besides the engine operating activities in the Mill, workers have been using the PPE according to risk his job for example in the area of noise workers are required to use earplug/earmuff. Based on these explanations it can be concluded that the company has consistently provided PPE eligible to all workers at a job site at risk in accordance with HIRAC.

4.7.4

In the ASA-1 activity are OHS Committee management changes that have been established in each work unit Mill and Estate, and have been reported to Manpower Agency District of Musi Rawas in accordance with applicable regulations. OHS Committee which is responsible for ensuring the implementation of OHS runs on the operational activities of the Mill and Estate have been performing their duties and responsibilities properly and consistently meeting OHS Committee every month, for example, meeting on January 9, 2016 with the agenda the discussion of the program OHS, preparation OHS monthly, First aid inspection, review HIRAC and training matrix OHS. In addition, PT Djuandasawit Lestari has consistently reported OHS activity per quarter to Manpower Agency in District of Musi Rawas. For example, reports for the period from October to December, 2015 submitted to Manpower Agency in District of Musi Rawas on January 4, 2016.

4.7.5

Company has consistently provided the procedures for work accident and emergency, which are completed with instruction in a common language that easily understood by personnel. For instance the SOP for fire emergency response (document SOP/SMART/UMUM/SADV//005), meanwhile the procedure for handling work accident is stated in SOP/SMART/HESS-EHSD/SADV//005 and procedures first aid (SOP/SMART/HESS-EHSD/SADV//011). As evidence that the management unit has made the application of SOP owned, between other through team building Preparedness and Emergency Response in the work unit Mill and Estate as well as the simulation of fire fighting has been done routinely for instance on February 8, 2016, the equipment First Aid available in the work unit Mill and Estate as well as to the foreman in the field include bag First Aid, example foreman harvest in Block S52 Division 1 MTWE carrying equipment First Aid and understand how to handle first aid in the event of occupational accidents, as well as accident investigation report has been well documented and reviewed each month at the meeting OHS Committee.

4.7.6

Workplace accident insurance for workers PT Djuandasawit Lestari has been registered in the manpower-social insurance

(BPJS Ketenagakerjaan) program. The company has been able to show proof of payment the manpower-social insurance in January and February 2016 for work units MKNM (monthly employees, daily employees, and contracts), the work unit MTWE (monthly employees, daily employees, contracts and freelance/piece worker), the work unit MKNE (monthly employees, daily employees, and contracts). However the company has not been able to show proof of payment the manpower-social insurance in January and February 2016 for the freelance/piece worker Muara Kandis Estate. **Non Conformity No. 2016.4 with Category Minor 4.7.6**

On August 21, 2015 Electrical Helper Workshop MKNM had an accident that led to five days of work lost. The Company has reported the occurrence of workplace accidents to the manpower-social insurance for work accident claim process assurance through Work Accident Case Report Phase I and Phase II and equipped with receipts of medical expenses, hospitalization at the hospital Dr. Sobirin and cost control at the Clinic Al Hafiz. In interviews with the Head of Administration MKNM at the time of audit activities ASA-1 submitted that the claim is still being processed by the manpower-social insurance.

4.7.7

The management unit showed calculation Frequency Rate and Severity Rate Monthly for accidents that occur in each work unit. In the recording informing on the calculation Frequency Rate and Severity Rate per month. Frequency Rate is a calculation of the number of occurrences of accidents a year divided by the number of hours worked multiplied by the total employee 1000000 a year, while the Severity Rate is a calculation of the number of days lost due to work accidents a year divided by the total number of hours worked multiplied year employee 10000000. The calculation FR and SR month of February 2016 Unknown for MKNM there are no cases of occupational accidents with lost working days.

Status: Non Conformity No. 2016.4 with Category Minor 4.7.6

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

The company indicated the identification of personnel competence matrix unit 2016 Mill and Estate. In the matrix described starting from the employee's name, position, type of training to be followed by both internal and external. Furthermore, from the matrix structured training program and plan time to be implemented. PT Djuandasawit Lestari training program has covered all aspects of the RSPO principles and criteria e.g. understanding RSPO Principe & Criteria, understanding of environmental aspects and impacts, OHS awareness, FPIC concept in the process of compensation and conflict resolution, best practices plantation cultivation and processing, etc. The training is intended for the whole staff, workers from employee status monthly, daily employees, freelance and contract employees.

4.8.2

The management unit consistently document and maintain records of training each worker contained in the form FP 07 / SMK3-SOP-08, 01/07/2010. For example:

- Operator Boiler MKNM training have been followed, including the use of fire safety and simulated fire on November 29, 2013, sight glass simulation testing and handling of emergencies boiler June 17, 2014 and 21 November 2015.
- Foreman MKNE, trainings have been followed, including training of selective spraying in 2012, the training of pesticide stumbling on November 8, 2013, control of IPM on November 16, 2013, training First Aid on November 18, 2013, training OHS, PPE, MSDS in 2014, training spraying on October 20, 2015.

On the annual assessment surveillance (ASA-1) of the training is done only for the workers while training for farmers smallholders do not specifically because there was a pattern of plasma Credit Primary Cooperative Members that management is fully carried out by the company.

Companies use local contractors for several supporting activities such as FFB transport and empty bunch transport. Forms of training provided to the contractor in the form of socialization and safety briefing for example regarding the use of PPE

and safe work practices on the job.		
	Status: Comply	
PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity		
5.1		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.		
5.1.1		
Sighted environmental impact assessment for plantation and mill activities within the following records:		
<ol style="list-style-type: none"> 1. EIA study for plantation and palm oil mill of PT Djuandasawit Lestari in Muara Lakitan and Muara Kelingi, Musi Rawas South Sumatra, with the scope of 14,000 ha and mill capacity of 60 tons FFB / hour. The EIA document has been approved by the minister of agriculture through decision number 29 / EA / RKL-RPL / BA / VIII / 1998. 2. Social Impact Assessment of PT. Djuandasawit Lestari, conducted on year 2013-2014 by internal team lead by Vernita Maya Pratiwi. The report provides evidences of participatory approach such as list of responders and study participants from following villages: Lubuk Pandan, Muara Megang, Karya Sakti, Beliti Jaya, Tugu Sampurna, Karya Mukti, Petransjaya, Pelita Jaya, and Sidomulyo. 		
5.1.2 & 5.1.3		
Environmental management and monitoring plan available in the following records:		
<ol style="list-style-type: none"> 1. Under the direction of environmental documents (EIA), the company has developed protocol on management and monitoring of environmental impact: Erosion, River water quality degradation, Noise, Wild animal, Pest plants (pigs and rats), Employment and business opportunities, Complaints and Public unrest. 2. Under the direction SIA management, social impact monitoring protocols have been developed such as: 1) absorption of labor and employee benefits, 2) social welfare through CSR and rural infrastructure, and 3) Empowering communities through the involvement of local contractors. Potential negative impacts that are managed: 1) Public unrest related to security, 2) lack of employment, 3) Lack of assistance, 4) lack of road improvements, 5) Decreased of trust against the board members of the cooperative. 		
EIA document was reviewed regularly every two years. The latest review available for 2016 which contains an analysis of the impact to be managed and monitored. In general, most of identified impacts are still relevant, however environmental impact on pests increase (pigs and mice) is considered to be not relevant anymore since they have been decreased significantly.		
	Status: Comply	
5.2		
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced		
5.2.1		
PT DSL has had result document Identification High Conservation Value. Identification is conducted by internal team of Company on June 2010 (data collecting), and public consultation (March 2013). Report of HCV has been reviewed by independent reviewers (Resit Sozer) in December 2010 and all comments from reviewer has been revised within the HCV report by Djuanda Sawit Lestari.		
HCV compiler team is consisted of:		
<ol style="list-style-type: none"> 1. Norman FM (lead of team, ecology expert, Biodiversity)-Approved HCV Assessor by RSPO 2. Nugroho Wahyu W (member a team as Environmental services expert)- Approved HCV Assessor by RSPO 3. Agus Budianto (member a team as ecological flora and fauna expert) 4. Yosaphat Ardilla (member a team as Social expert)-Approved HCV Assessor by RSPO 		

According to the identification result, HCV Area for MKNE and MTWE was 385.56 hectares, the riparian area included planted area. Area has identified as high conservation value area which consisted of: riparian, existence of protected/nearly extinct species and protected forest depicted on a map with a scale of 1: 80,000.. Generally explained as follows:

No.	HCV Type	HCV Area Type	Unit	Area Coverage (Ha)
1	HCV 1.1; 4.1	Petanang Riparian	MTWE	166.11
		Lakitan Riparian	MTWE MKNE	95.79
		Temani Riparian	MKNE	86.24
		Tawas Riparian	MKNE	37.42
TOTAL				385.56

No	Local name	Scientific name	Protection Status		
			PP 7 Year of 1990	CITES	IUCN
1	Monyet beruk	<i>Macaca nemestrina</i>	-	App II	VU
2	Pelanduk	<i>Tragulus napu</i>	D	-	LC
3	Lutung simpai	<i>Presbytis melophos</i>	-	App II	
4	Macan akar	<i>Prionailurus bengalensis</i>	D	-	-
5	Cekakak belukar	<i>Halcyon smyrnensis</i>	D	-	-
6	Elang tikus	<i>Elanus caeruleus</i>	D	App II	LC
7	Elang bondol	<i>Haliastur indus</i>	D	App II	LC
8	Elang hitam	<i>Ictinaetus malayensis</i>	D	App II	LC
9	Rangkong	<i>Rhinoceros hornbill</i>	D	-	-
10	Ayam Hutan	<i>Gallus sp</i>	D	-	-
11	Kuntul kerbau	<i>Bulbulcus ibis</i>	D	-	-
12	Ulin	<i>Eusideroxylon zwagerii</i>	D	-	-

5.2.2

Company has had programs for HCV management activity on Djuanda Sawit Lestari. The program for 2015-2016 generally explained as follows:

1. Management of Border River i.e. maintenance of boundary markers, making marking spray, socialization to staff, employees and stakeholders, maintenance sign board border river, rehabilitation, maintenance of the plant rehabilitation, patrolled HCV.
2. The management of endangered, threatened and protected i.e. socialization directly to staff, employees and stakeholders garden, maintenance sign board HCV protected fauna and flora, patrolled HCV.
3. Monitoring of HCV i.e. monitoring of HCV Attributes, monitoring the condition of the HCV area, monitoring of protected species, monitoring of HCV area rehabilitation.

All management and monitoring of implementation activities compiled in a management and monitoring report of high conservation value areas are made every six months. There is evidence of HCV program implementation in 2015 include:

- Planting 8,000 seedlings vetiver grass at riparian area in Lakitan river, based on the results of field visits in Block H51 artificial lake there were already embankment and already planted with *vetivergrass*
- Maintenance of HCV warning board : maintenance activities such as cleaning brush, painting, repair and replacement of damaged warning sign board. Monitoring HCV sign board conditions done on 21 January, 2016. Based on field visits in the Bakul river location Block L 7 post entrance in MKNE estates known HCV signs already installed and

maintained

Based on the results of field visits in Block T56 Petanang border river has been made mark boundary spray with boundary pole (50 meters left and right from river) and installed sign board a ban spraying in this area and ban fish poison, there is *vertivergrass* for prevent erosion.

5.2.3

Companies also conduct educational activities for employees about protected species; This is accomplished in socialization programs directed at staff, employees and stakeholders. As evidence of the implementation of socialization into community, installed posters wildlife protected on date September 21th, 2015 in the village of Karya Mukti, and the village of Muara Megang. For employees there is evidence socialization of High Conservation Value to employees MTWE in Division 1 and 2 on 17 June 2015 attended by all employees, socialization activities carried out during at master morning. The company has also put up signs warning about criminal sanctions if known hunting of wildlife.

5.2.4 & 5.2.2

All management and monitoring activities has been reported as report of management and monitoring of HCV areas and has been made every semester. From the results of the monitoring period July-December 2015 known types RTE contained in the HCV area PT DSL was Hawk (*Accipiter* sp), Rhinoceros hornbill(*Buceros rhinoceros*), White-breasted Kingfisher(*Halcyon smymensis*), Pied fantail (*Rhipidura javanica*) and Leopard cat (*Felix bengalensis*).The monitoring results have been included in management and monitoring plan reports period of the 2nd half of 2015 and was reported on February 19, 2016 the Environment Agency in Musi Rawas, February 29, 2016 Environmental Agency of South Sumatra Province and the Ministry of Environment

Monitoring results show an increase in the quality of the HCV area with the addition of plants *vertivergrass* barriers to erosion. Based on the monitoring results show there was no pollution in the river. With *vertivergrass* barriers to erosion already planted around the riparian, the erosion was expected to be smaller and it will serve as input back to the management plan in the form of riparian maintenance, maintenance crop rehabilitation. Based on the results of the visit and the identification result there were no HCV areas that intersect with the local community.

Status: Comply

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1

The company has had a document identifying sources of waste listed in the environmental aspects that have been approved by the Mill Manager and Manager Estate. Generally explained as follows:

- **Mill Waste Management**

- Mill waste in form of gas periodically monitored in order no to exceed environmental quality standard threshold. Dust-collector, multi-cyclone, and dust conveyor are used In order to reduce polution and reduce ashes content and emissioned particulate.
- Solid waste in form of shell, fiber, and empty fruit bunch are fully utilized to support estate and POM activity. Shell and fiber are used for boiler fuel, while empty fruit bunch is used for organic fertilizer on plantation.
- Effluent produced from processed FFB is fully utilized for estate activity as organic waste (Land Application) after processed on WWTP pool in order to complied quality standard requirements.
- Effluent from mill operational is stored on sedimentation tank to precipitate soluted solids.

- **Estate Waste Management**

Estate waste in form of frond is arranged on the inter row and between palm oil plants in order to avoid erosion, maintaining humidity, reduce weed growth, stimulate root growth and soil nutrient. Waste in form of water which is used for washing used-pesticide packaging is utilized for diluting pesticide.

Waste produced from maintaining activity in form of agrochemical box waste is managed through process: gathered on warehouse, washing used boxes according to Work Instruction of Washing and Cleaning Ex pesticide; water used for washing is re-utilized to the next amalgamation process; the cleaned used containers are returned to the supplier.

5.3.2

Hazardous waste generated in the form of used oil, filters, batteries used, and contaminated hazardous waste, collected at hazardous waste temporary warehouse licensed in accordance with government regulation no. 18 year 1999 on the management of hazardous waste. The company has a licensed storage for hazardous waste with decision number 408 / KPTS / BLHD / 2014 concerning license renewal hazardous waste temporary warehouse to PT Djuandasawit Lestari, which was ratified on July 19, 2014 by the Regent of Musi Rawas and is valid for 3 years, hazardous waste temporary warehouse licensed located at:

- Muara Kandis Mill at coordinate S 02°55'06.3" and E 103°10'41.7"
- Muara Kandis Estate at coordinate S 02°55'06.3" and E 103°10'12.7"

PT DSL has cooperated with licensed third parties, namely CV Primanru jaya, this company has been licensed on the transport of hazardous and toxic waste no B7674 / dep.IV / LH / PDALs / 07/2014 and a letter of recommendation is valid for five years. PT DSL has made a cooperation agreement with the letter of agreement the management of hazardous waste with no letter 082 / EHSD / SPK-Management LB3 / DSL-PJ / IX / 2015, letter of the agreement made on 28 September 2015 with a validity period of a cooperation agreement for one year. On Monday 14th March 2016 PT DSL have sent hazardous waste to CV Primanru Jaya. PT DSL also has reported hazardous waste management activities to the relevant agencies, namely

- 4th quarter report of Hazardous Waste balance sheet, are reported to Musi Rawas District Environmental Agency on 22 January 2016, the Environmental Agency of South Sumatra Province on 29 January 2016, Ministry of Environment on the 1st of February 2016
- Environmental Management and Monitoring Plan in 2st semester of 2015, are reported to the Environment Agency MusiRawas on 19 February 2016, the Environment Agency of South Sumatra Province on 29 February 2016, the Ministry of Environment on the 1st februari 2016

5.3.3

Disposal and waste management to avoid or reduce environmental pollution has been documented and implemented by the company. the company has been managing the waste to reduce the impact of pollution on the environment through several management actions such as:

- Domestic waste: Domestic waste is collected in cans / bins are provided and transported by garbage trucks to the landfill in plantation areas to be dumped.
- Solid Waste: Solid waste in the form of kernel shell, fiber, empty bunch, and boiler ash. Kernel shell and fiber is used for boiler fuel, empty bunch and boiler ash applied as organic fertilizer on palm oil plantations.
- Wastewater: Liquid waste fully utilized for plantation activities as an organic liquid fertilizer (Land Application) after going through processing in the WWTP pond to meet the requirements of the quality standards according to the rules. The company has implemented the application as much as 176,240.40 m³ of waste water in the period January - December 2015
- Medical waste: The Company has formed a partnership with RS Dr Sobirin cities Lubuk Linggau with by letter No. 445 / 1409.A / RSDS / IX / 2015 for the management of solid medical waste and medical waste poisoned on 7 September 2015 and is valid for 2 years. The entire clinic's medical waste originating from Muara Kandis Estate, and Muara Tawas Estate, then collected in advance at the central clinic Muara Kandis, and then sent to the hospital Dr Sobirin Lubuk Linggau. Medical waste shipments have been carried out on 9 September 2015 to Dr RS Sobirin Lubuk Linggau

	Status: Comply	
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5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

The company has demonstrated a data shell, and fiber to fuel boilers for PT Djuandasawit Lestari. For the period 2015

there were diesel fuel savings as described in the table below

Description	Period 2015
FFB process (kg)	263,296,140
Fiber (kg)	15,139,528
Shell (kg)	32,912,018
Energy used / Ton CPO (Kcal)	8,531,588
diesel fuel savings (litter)	1,037,616

Status: Comply

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 and 5.5.2

The company does not conduct burning in land clearing. Based on field visit and interview with village representative, the method of land clearing was mechanical by using heavy equipment such as bulldozer and excavator.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1

Document of mill environment aspect list and evaluation contains identification result of pollution and emission source in POM is available as follows:

- Weighing station: Transport vehicle emission of FFB, Hazardous Waste, and Solid Waste
- Grading: Transport vehicle emission of FFB, Hazardous Waste, and Solid Waste
- Loading ramp: Hazardous Waste, Solid waste, Chemical waste
- Sterilizer: Steam, Hazardous Waste, Effluent, Chemical waste, Solid Waste, Noise, Odor
- Threshing: Hazardous Waste, Effluent, Chemical Waste, Solid Waste, Odor
- Pressing: Effluent, Chemical Waste, Hazardous Waste, Solid Waste, and Noise
- Clarification: Oil Liquid, Solid Waste, Hazardous Waste, Effluentm Sludge, Noise, Odor
- Nut&Kernel: Steam, Solid Waste, Effluent, Hazardous Waste, Noise, Odor
- Engine room: Generator Gas Emission, Hazardous Waste, Nouse, Temperature
- Boiler: Boiler Chimney Emission, Effluent, Solid Waste, Noise, and Odor
- Demint plant: Effluent, Chemical Waste, Solid Waste
- Despatch PK: Kernel Transport Truck Emission, Solid Waste, Effluent
- Despatch CPO: CPO Transport Truck Emission, Effluent, Hazardous Waste
- Water Treatment Plant: Chemical Liquid, Effluent, Solid Waste
- Warehouse: Hazardous Waste, Solid Waste
- Workshop: Machine's Smoke Emission on Mill, Smoke from Welding activity, Effluent, Noise
- Laboratory: Effluent, Sludge, Oil Liquid, Effluent, Solid Waste, Chemicals
- Final Effluent: Solid Waste, Effluent, Hazardous Waste, Odor
- Housing: Effluent, Solid Waste, Domestic Waste
- Office: Solid Waste

5.6.2

Companies can indicate pollution and emissions program in PT Djuandasawit Lestari, as shown below

1. The use of fossil fuels (Estate and Mill)

- The substitution of diesel with the use of renewable energy (shell and fiber) in the production process of CPO monitoring the use of diesel for operational activities and plant gardens

- Conducting socialization to the driver in order to maximize the transport capacity of the transport trucks that use diesel fuel efficient
- Conducting socialization to turn off the vehicle when the truck FFB incoming queue factory
- Monitoring KWH per ton of product in factory

2. Use of fertilizers (Estate)

- Application of fertilizer for the garden operational activities in accordance with the recommendations of SMARTRI of appropriate and well targeted
- Records of efforts for the maintenance and improvement of soil fertility using biological agents such as legume cover crops and activities as well as the application of a empty bunch, and water waste fertilizer

3. Use of pesticide (Estate)

- Use of the method of IPM to reduce pesticide use
- Using environmentally friendly pesticides that have received permission from the commission pesticides
- The use of pesticides according to the dosage recommendations Research team

4. The use of electricity (Estate and Factory)

- Make efficient use of electricity in residential and office as well as a garden plant
- Using energy saving lamps
- Conducting socialization of electricity use in residential communities and office

Company has conducted measurement of ambient and air quality test periodically once in 6 months, it is attached on report of Environmental Management and Monitoring Plan in 2st semester of 2015. Test is conducted by UPTB laboratory, Environment laboratory of South Sumatera Environmental Agency with accreditation number LP-231-IDN .According to the result of laboratory test, there is no parameter of ambient air quality test which exceed quality standard.

Companies have identification in the report GHG emissions in Palm GHG emission calculation using the calculator for the period 2015 (reporting date of February 2, 2016). The report contains information sources of emissions from a plantation, and factory:

1. Emission source plantations;

- Conversion of land (no conversion of land to PT. DSL);
- Fertilizer (mineral), manufacturing, and transport
- N₂O from fertilizer
- Fuel consumption
- The oxidation of peat (no peat in the area of PT. DSL);

2. Sources of emissions at the factory

- POME
- Fossil fuels
- Electricity consumption

5.6.3

Companies have identification in the report GHG emissions in Palm GHG emission calculation using the calculator for the period 2015 (reporting date of February 2, 2016). The report contains information sources of emissions from Estate and Mill:

1. Emission source estate; conversion of land (no conversion of land to PT DSL); fertilizer (mineral), manufacturing, and transport; N₂O from fertilizer, fuel consumption, the oxidation of peat (no peat in the area of PT DSL).
2. Sources of emissions at the Mill: POME, fossil fuels, electricity consumption.

The Company has calculated GHG, using the GHG Calculator Palm version 2.1.1 with the basic data from July 2014 to June 2015. For the years 2014 to 2015 GHG emissions from PT DSL was 1.08 tCO₂e / t CPO and 1.08 tCO₂e / t PK. And the result of this calculation has been reported to the RSPO secretariat on the 2ndFebruary 2016.

The company has had a reduction in emissions and greening plan that includes GHG minimization activities such as tree

planting, pesticide reduction, increased use of organic fertilizer, fuel utilization efficiency, POME management, etc. In the planning table includes a description of the activities to be carried out, objectives, targets and time frames.

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

6.1.1.

CH has composed an social impact assessment documents in the form of:

1. EIA study for plantation and palm oil mill of PT Djuandasawit Lestari in Muara Lakitan and Muara Kelingi, Musi Rawas South Sumatra, with the scope of 14,000 ha and mill capacity of 60 tons FFB / hour. The EIA document has been approved by the minister of agriculture through decision number 29 / EA / RKL-RPL / BA / VIII / 1998.
2. Social Impact Assessment of PT. Djuandasawit Lestari, conducted on year 2013-2014 by internal team led by Vernita Maya Pratiwi. The report provides evidences of participatory approach such as list of responders and study participants from following villages: Lubuk Pandan, Muara Megang, Karya Sakti, Beliti Jaya, Tugu Sampurna, Karya Mukti, Petransjaya, Pelita Jaya, and Sidomulyo.

SIA has identified the positive impacts: 1. absorption of workforce and improvement of employee's welfare, 2. social welfare through the help of CSR and rural infrastructure 3. Empowering communities through the involvement of local contractors and local tax.

The identified ptential negative impacts are: 1. Public unrest related to security, 2. Lack of employment, 3. Lack of assistance, 4. Lack of road improvements, 5. Decreased in trust betwee members and adminsitator of cooperatives.

In general, the aforementioned issues raised in SIA consistent with the result of public consultation with the surrounding communities such as: infrastructure, CSR, and job opportunities for villager.

6.1.2

Observation on SIA document found that SIA analysis had been done through a participatory approach by involving the surrounding community during the data collection and public consultations with stakeholders, such as:

- Outreach on 11-3-2014 at Emplacement I MKNE and MKNM
- Consultation and social survey on 12-3-2014 in the village of Pandan Lubuk attended by 11 villagers
- Consultation and social survey in the Pelita Jaya village dated 12-3-2014 attended 7 villagers
- Consultation and social survey on 13-3-2014 in the village of Karya Sakti, attended by 18 villagers
- Consultation and social survey on 13-3-2014 in the village of Muara Megang, attended by 6 villagers
- Consultation and social survey on 14-3-2014 in the village of Tugu Sampurna, attended by 6 villagers
- Consultation and social survey on 14-3-2014 in the village of Marga Sakti, attended by 5 villagers
- Consultation and social survey on 15-3-2014 in the village of Jaya Petrans, attended by villagers
- Consultation and social survey on 17-3-2014 in the village of Sadar Sejahtera Jaya, attended by 12 villagers
- Consultation and social survey on 17-3-2014 in the village of Sadar Sejahtera Jaya, attended by 12 villagers.

6.1.3

Social impact management plan to avoid or mitigate negative impacts and enhance positive impacts, as well as monitoring of impacts have been prepared as an integral part of the EIA and SIA document.

1. The management plan and monitoring of social impact refers to the EIA document are:
 - Management and monitoring of employment and business opportunities,

- Management and monitoring of the Complaints and Public unrest periodically every six months
- 2. Action plan for reduction of negative impact positively impact of the following: 1) absorption of labor and employment, 2) social welfare through the help of CSR and rural infrastructure, and 3) empowering communities through the involvement of local business entities. All of those action plans have been implemented well, as seen in the CSR records, employment record, and contract with local business entities.

6.1.4

Sighted that CH has done a periodic review (every two years) on the environmental management plan and environmental monitoring plan of according to EIA document. Latest review available for year 2016 by involving representatives of stakeholders around the plantation (participatory) especially the village board and community leaders. Evidences of participatory process are available in the form of minutes of meeting, attendance list, and picture documentation.

Social management plan based on SIA analysis has not been reviewed because it's just carried out in 2016 and the review period will fall at the end of 2016. CH can demonstrate implementation plan document reviews SIA in August 2016 with the involvement of stakeholders

6.1.5

As part of its social commitment, PT DSL has established Smallholder Partnership (plasma) for villager around the plantation. The partnership was done through an agreement between PT. DSL and Village Unit Cooperatives (KUD) *Sadar Sejahtera* do an area of 1,297 hectares. The form of agreement is Primary Cooperatives Members (KKPA) where plantation operation fully carried out by PT. DSL and villager will receive benefit sharing every month. To anticipate any negative impact over the plasma plantations, CH has included the partnership development in the scope of EIA, HCV and SEIA study.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1

The company has had a SOP Communication and Consultation with Stakeholders in the document no. SOP / SMART / GENERAL / SADV / I / 004 dated July 1, 2014 within the document, listed references, job descriptions of each officer, as well as work steps external communication and consultation as well as internal communication and consultation. The process of communication and consultation with the community is done through

- Incidental meetings that have been agreed.
- Suggestion boxes placed at several places in the company.
- Sending an official letter to the company.

6.2.2

The Company appointed manager in charge of social for each management unit. This designation in accordance with the letter dated 1 July 2013, which addressed each manager management unit, namely: to Robiduan Damanik as manager MKNM, Idrus Damanik as manager MKNE, Dudi Kuswandi as manager MTWE. Duties and responsibilities for socially responsible person for each management unit as follows

- Accommodate the implementation of environmental impact assessment
- Responsible to the top management of the implementation process of communication and consultation with stakeholders
- Build a mutual relationship between the positive social impact on the unit with the community, traditional leaders, religious, social organizations and related government officers
- Coordinate with HR-Ops related employment

6.2.3

The Company already has a list of stakeholders containing information office, address, telephone number, and the name of the official. List of stakeholders consisting from government agencies comprising the sub district head, the head of the police sector, commandants rayon military, the Department of Employment, Department of plantations, the Environment Agency, Department of Hygiene and fire, the head of the village, and community leaders, labor union SPSI and SBDBMR, BPJS Committee gender, partner companies, cooperative unit village (KUD).

The company has been in communication with stakeholders, and examples of communication records shown by the company with the stake holders is the boarding school Darusakti sub districts of Muara Kelingi. The boarding school has submitted a proposal dated 5-2-2016 a request for funding assistance recitals Darusakti Muara districts Kelingi and training PC GP Ansor Alamah. Assistance provided by the company in the form of grants on 10-2-2016.

Status: Comply

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.

6.3.1.

Auditor observed that CH has had a system for dealing with complaints from affected parties both internal and external. The system available in SOP number DSL-MKNE/SOP/25 dated July 2, 2012 concerning Grievance, Dissatisfaction, and Dispute Resolution. Records of complaints from internal and stakeholder available in the logbook of the incoming and outgoing mail in each estate. For settlement of disputes related to land conflicts, SOP available in document number SOP/NP/SMART/VII/D dated July 1, 2010.

6.3.2

As explained in previous criteria 2 and 3, over the productive land that has been planted, there are 6 cases of land claim in year 2016 with total area of 33 hectares. All cases are in the form to reclaim (double claim) of the land that had previously been compensated. For those land dispute cases, CH can demonstrate land dispute settlement progress in accordance with prevail SOP as explained in the indicator 2.2.6.

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

6.4.1

Sighted procedure for the Identification, Calculation and Payment of Compensation for Loss of Legal Rights and Traditional Rights to Land in the SOP number SOP/NP/SMART/VII/D dated July 1, 2010. The SOP is mostly aimed at ensuring the lands for plantation and mill are free from overlapping between land title and ownership of other parties.

SOP describes in detail the procedure of identification, calculation and payment, such as: socialization, inventory of ownership of land, systematic measurement of parcels, negotiating the price of compensation in a transparent manner with the involvement of third party as a witness, the completion of compensation payments. If necessary, for communication and consultation, can be appoint company's representative in accordance with issues to be discussed. In every meeting / consultation session, attendance lists and meeting minutes should be made and If necessary supported by photographs or video.

6.4.2

As described in indicators 6.4.1., CH has had SOP of Identification, Calculation and Payment of Compensation for Loss of Legal Rights and Traditional Rights to Land. In addition to explanation of standard step of land acquisition, SOP contains policy of equal treatment of stakeholder ownership and access to land; and respect for any evidence of legal ownership and communal ownership of the ethnic groups (indigenous) land if available.

6.4.3

Observation of legal and social documents shows that all processes and outcomes of negotiated agreements and compensation claims have been well documented by D & L division, including evidences of the involvement of affected communities in negotiation and deliberation of land acquisition decision. For example, prior to land acquisition, CH had conducted series of socialization and negotiation with affected party as shown by the land acquisition records (see explanation of the criteria 2 and 3 the previous criteria).

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

Wage system PT Djuandasawit Lestari in 2016 refers to the Decision of the Governor of South Sumatra No. 177/KPTS/DISNAKERTRANS/2016 on Sector Minimum Wage South Sumatra Province in 2016 set on February 1, 2016 which specifies that wages Minimum for Agriculture, Livestock, hunting and fishing for IDR. 2,250,000. Based on observations recapitulate document Mill and Estate employee wages in February 2016, it is known that the calculation of wages in accordance with the provisions of prevailing wage system. Aside from document observation, it is confirmed from the results of the public consultation with stakeholder (Manpower Agency in District of Musi Rawas, Worker Union Muara Kandis Estate and Muara Tawas Estate, as well as the Worker Unions Djuanda Bersatu Musi Rawas) stated that consistently PT Djuandasawit Lestari consistently apply wage system with reference to the provisions of the applicable minimum wage.

6.5.2

The management unit can show the Collective Labour Agreement between the Worker Union and PT Djuandasawit Lestari period 2015 – 2017. The Collective Labour Agreement has been registered by the Decree of the Head of Department of Labor and Transmigration Musi Rawas No.134/KPTS/IV/Nakertrans/2015, dated October 26, 2015 on the Registration of Collective Labour Agreement between the Worker Union with PT Djuandasawit Lestari the period 2015 - 2017. The period of validity of the Collective Labour Agreement began on October 9, 2015 to with dated October 9, 2017. The results of the interviews with the Worker Union Muara Kandis Estate and Muara Tawas Estate, as well as the Worker Unions Djuanda Bersatu Musi Rawas submitted that the CLA has been agreed by the company and the unions, and there are no provisions that violate labor legislation applicable.

6.5.3

Based on observations in the field of housing MKNE and MTWE employees, the company has endeavored to consistently provide adequate public facilities and in good condition, such as

- Permanent employees housing complex consisted of 2 bedrooms, guest room, kitchen, and bathroom with toilet. The lighting is empowered generator. The water source is supported from reservoir and well. Sources of clean water from reservoirs and wells that have been tested by the Center for Environmental Health Engineering for Disease Control and Class I Palembang accredited KAN (Testing Laboratory LP - 449 - IDN) on October 28, 2015. Results of physical tests such as not tasteless and odorless, 7:23 pH, coli form below the quality standard. In general, the test results showed that all test parameters of physical, chemical, organic chemistry and biology meet the required Permenkes No. 416 year of 1990.
- Education facility, company provides buildings of kindergarten and elementary school, and the school bus to pick up and drop off school students.
- The health facilities, the company provides post First Aid with paramedic nurse and midwife..
- Public facilities such as place of worships, sport facility (volley court, tennis court, and badminton court), daycare. Furthermore, there is also employee's hall that can be used for meeting hall and maternal and baby clinic.

6.5.4

The results of the public consultation with the Management Committee Gender on Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill submitted that the company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary/wages.

Status: Comply

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

6.6.1

Until ASA-1 activity there are no changes policies PT Djuandasawit Lestari in terms of respecting the right of employees to form and join union worker. As the implementation of the policy is to have the formation of unions at each unit PT Djuandasawit Lestari, among others PUK SPSI SPPP Muara Kandis Estate and Muara Tawas Estate, and Serikat Buruh Djuanda Bersatu Musi Rawas (SBDBMR).

6.6.2

To ensure the union's activities in accordance with its function, do the public consultation through interviews with the union PUK SPPP SPSI Muara Kandis Estate, PUK SPPP SPSI Muara Tawas Estate, and the Worker Unions Djuanda Bersatu Musi Rawas (SBDBMR) concerning the activities of the union, the fulfillment of obligations related companies with labor legislation, meetings and settlement of industrial relations and communications between the company with the trade unions. The interview results described in point 3.3 (Summary of Emerging Issues of Public Management's Response and Auditor) and has been submitted to the management at the time of audit activities. Things that need to be confirmed and verified concerning the above matters have been addressed by the company well.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

In the activity ASA-1 PT Djuandasawit Lestari there are no policy changes regarding minimum age requirements in the recruitment process (minimum 18 years) and the ban on employing children with reference to the employment provisions of Law No. 13 of 2003.

The implementation of the above policies evidenced through document review MKNM, MKNE and MTWE employee list, in February 2016 and is known there are workers under 18 years old at the time of initial entry work at PT Djuandasawit Lestari. In addition, from the results of field observations on the operational activities of the Mill and Estate (Spraying in Block P59 Division 2 MTWE and Block L35 Division 1 MKNE) is not found child labor or workers aged under 18, as well as interviews of workers submitted that the worker has to know the minimum age be allowed to work in the company.

Status: Comply

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1

Consistently company documents related to policies regarding the implementation of the Industrial Relations Unit, in order to realize harmonious industrial relations, dynamic and just so with this in order to be implemented in every operational unit embodiment of industrial relations regardless of race, religion, race and gender in all types of occupations contained in Circular No. 096/CEO2-SE/12/2010 dated December 14, 2010.

6.8.2

Based on the results of internal stakeholder interviews public consultation with the Executive Board Committee Gender on Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill submitted that there was no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex, ethnicity, race or religion.

6.8.3

The company can demonstrate the mechanism of recruitment and employee performance appraisal regulated in Collective Labour Agreement. Selection of candidates for the workers are based on education, skills and experience necessary to do the job regardless of their ethnicity, religion, race, class and origin and gender. The admission requirements ranging from a minimum age limit of 18 years up to the administrative requirements and the selection process and interviews, as well as the manner necessary if it can be accepted as workers in the company. Further related to employee performance ratings, with the aspects that include discipline, quantity of work, and quality of work, cooperation, work attitude and responsibility. Examples of companies showing an example of employee performance appraisal office workers MKNM Workshop began work March 1, 2003, with the result of good judgment and proposals with employee status Monthly Employee Group G1. Based on the explanation above it can be concluded that the company has been able to demonstrate that the selection, recruitment and promotion of workers based on skill, ability, quality and medical health are needed for the job.

Status: Comply

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1; 6.9.2 and 6.9.3

In the activity ASA-1 is known there are no policy changes owned PT Djuandasawit Lestari policy to prevent all forms of abuse and sexual violence, and as well as a policy to protect the reproductive rights of all workers. Furthermore, the company established a Committee on Gender in Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill which is the organization that is responsible for defending the implementation of the policy.

The company has the SOP Handling Complaints and dissatisfaction (Grievance) (SOP/SMART/SIGS-CSR/ /SADV/II/003), which was approved by the Head of Upstream July 01, 2014. Within the SOP point 2.2.1 stated that the company guarantees the anonymity of the reporting and the discloser case (whistleblower).

To ensure that policies and procedures have been applied to the operational activities of the Mill and Estate then conducted public consultations through interviews with the Executive Board of Committee Gender Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill. From the interview given to the following aspects:

- Dissemination of sexual harassment policy and protection of women's rights has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses.
- In the period 2015/2016 there have been reports of cases of infidelity in MKNE received by the Committee on Gender and was completed along with the top management.
- There were reports of intimidation and violence against children committed by workers in MTWE received by the Committee Gender, and has been completed along with the top management to give warning to the workers and to sign an agreement not to repeat the incident.
- The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first / second during menstruation, and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after delivery)
- No reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex.

Status: Comply

6.10
Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1

FFB prices that used by PT. Djuandasawit Lestari in purchasing FFB from smallholder referring to the minutes of meeting FFB pricing team of South Sumatera. FFB price is regarding to the ministry of agriculture regulation no. 14/2013 about guidance of purchasing FFB from smallholder. The prices can accessed from official website of plantation agency of South Sumatera or from circulated letter that sent to all scheme-smallholder cooperation.

6.10.2

Pricing mechanism has set in agreement letter that stated all FFB produced by smallholder referring to the government regulation. It known by all cooperation member of Sadar Sejahtera. FFB prices have been socialized to all member of cooperation.

6.10.3

All cooperative agreement well documented. Cooperative Agreement Letter draft that has been returned to the parties to read its contents. If there has been a further agreement, the contract will be signed between the two sides on stamp duty and the copies held by each party. In the verified contracts contained clauses about the dispute resolution. It means, if there is a complaint, objection or dissatisfaction in the agreement at a later time, both parties who tied on the agreement are agreed settlement together by law in District Court that are designated together.

6.10.4

Based on document review, the company has fulfilled its obligations in terms of payment of work. So far there has been no dissatisfaction from the contractor in terms of work payment. For example, transporting FFB payments on March 4th 2016.

Status: Comply	
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6.11
Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1

Observed evidences of contribution to local economic development through:

1. Business opportunities for local business entities especially contractor in estate and mill for activities of: FFB transportation, EFB transportation, construction and maintenance contractor, procurement of local material, etc.
2. Tax / local retribution payment: land and building tax, vehicle tax, surface water utilization retribution, etc.
3. CSR for various activities: religious and culture, infrastructure, education, and social.

6.11.2

Based on public consultation result with surrounding villages, auditor observed that there are no significant objection arise by community against CH performance. Positive perception mostly found on contribution of CH to local economic development through small holder partnership development (nucleus- plasma partnership), infrastructure development, CSR, and stimulant of economic activities.

Status: Comply	
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6.12
No forms of forced or trafficked labor are used.
6.12.1

The employment status of that force in the company that arranged in Collective Labour Agreement Article 10 (1) Permanent workers remains a worker for a term not specified, and (2) Worker / temporary workers, among others, contract, freelance and piece worker. For permanent workers remain firm showed Agreement Letter Appointment Monthly/Daily Permanent Worker, while for non-regular workers (contract, freelance and piece worker) tied in the Work Agreement Letter between the company with the workers, which the Work Agreement Letter has complied with labor laws,

signed by both sides, and have been listed in Labour Agency in District of Musi Rawas. Interviews with the management explained that each year an evaluation for each employee whose results are used to determine the career path of the employee concerned, and a letter of agreement work is read in advance by the employee before it signed so that the position, duties and responsibilities have been understood and executed in accordance with the agreed conditions.

In addition to the management also conducted interviews with the unions. Part of the union said there was no compulsion for employees to do certain jobs and positions, employees understand their rights and obligations in the work in accordance with labor agreements are made.

6.12.2

To prove that there is no substitution of the company's contract shows Work Agreement Letter No. 056/MTWE/PKWT-A4/01/2016 for a job quotation losses fruit unit MTWE with tenure January 1 till June 30, 2016. In the agreement described the type of work, days and hours of work, the terms and conditions of employment, the validity period of work, the system wages, rights and obligations, work rules, and the agreement signed by the company and the workers on duty. The employment agreement has been entered to Labour Agency in District of Musi Rawas No. 560/52/Nakertrans/PKWT/2016.

6.12.3

The results of observations document a list of employees in February 2016 workers at the operational activities of the Mill and Estate with the status of permanent workers (Monthly and Daily Permanent Worker) and temporary workers (contract, freelance and piece worker) came from various regions in Indonesia eg, Sumatra, Java, Nusa Tenggara, Maluku, etc.

Interview with Head of Administration conveyed that PT Djuandasawit Lestari not hiring workers with AKAD system (Inter-City Inter-regional), but the workers themselves must come to apply for jobs at companies both local workers and migrant workers from outside the area.

	Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

The Company has a Social and Community Engagement Policy, adopted on 10 November 2011, and ratified by the President Director. In policy point 6 stated that the company respect for Human Rights. The policy is communicated to all employees through the morning briefing, and based on interviews with workers, for example workers' workshop in Muara Kandis Estate and Muara Tawas Estate submitted that the worker has to know the company's policy in respect of human rights.

	Status: Comply	
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PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable

	Status: Comply	
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7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
Observed in document verification and filed visit that there are no plantation after November 2005. All planted area is below year 2005. Therefore principle 7 is not applicable		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		

Major 8.1.1

- The company has conducted internal audit RSPO on 7 – 11 December 2015. There were Identified 13 non-compliances. All non-compliances record has been corrected.
- The company no longer using *paraquat diklorida* since 2016.
- Annual innovation programs. The innovation that proposed on August 2015 has been applied. For example, shadow BOB installation and three in one equipment for production clerk to controlling FFB on collecting point.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>According to latest one year FFB supply data (May 2015 – March 2016), total of incoming FFB was 227,055 tonnes, with detail FFB sources as follows:</p> <p>Certified sources:</p> <ol style="list-style-type: none"> 1. Muara Kandis Estate (certified): 77.159,03 tonnes (36.02%) 2. Muara Tawas Estate (certified): 71.927,69 tonnes (33.58%) <p>Non Certified sources:</p> <ol style="list-style-type: none"> 3. KKPA Pendawa (KUD Sadar Sejahtera): 38,973.06 (18.20%) 4. KKPA Pendawa (KUD Pandawa Sakti – KTPA): 106.67 (0.05%) 5. Farmer Group “Mandiri” (KTMA): 1,960.55 (0.92) 6. Farmer Group of “Tugu Sempurna”: 11,361.61 (5.30) 7. Commercial Loan Credit Farmer Group (KTNA): 5,252.56 (2.45) <p>The above mentioned supply data shows that mill has been taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. Under that scenario, the mill claim the volume of oil palm products produced from processing of the certified FFB as Mass Balance Scheme.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by mill had been recorded by the CB in the public summary of the initial audit report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year:</p> <ul style="list-style-type: none"> - Estimated production of CPO was 34,724 tonnes - Estimated production of PK was 8,358 tonnes <p>The actual tonnage produced will be recorded in annual surveillance report of period ASA-01. It is recorded that since 18 Mei 2015 until ASA-01 audit, actual production of CPO was:</p> <ul style="list-style-type: none"> - Received FFB: 227,055 tonnes - CPO production: 34,047.76 tonnes - PK production: 8,449.01 tonnes
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>Muara Kandis Mill facility has been registered in RSPO IT platform RSPO (e-trace) and has been updated regularly according to certification period. For ASA-01 period, registration code is:</p> <ul style="list-style-type: none"> - Company name: PT Djuandasawit Lestari (Muara Kandis Mill)

- Member ID: RSPO-PO1000001631
- Username: izulifkar709

According to e-trace account verification of Muara Kandis Mill, it is known that during latest certification period (May 2015 – March 2016), there was no certified Crude Palm Oil (CPO) and certified Palm Kernel (PK) transaction.

Status: Comply

E.3 Documented procedures

E.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

Mass balance supply chain procedure available in:

- SOP number PT DSL-MKNM/SOP/24 regarding SOP of Supply Chain for CSPO product with Mass Balance system, issued May 16, 2014. SOP contains complete procedure of implementation of SCCS requirement according to RSPO, officials in charge who have overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.
- SOP number PTDS-MKNM/SOP23 issued on March 10, 2014 regarding Reporting of Certified CPO Product RSPO which regulates reporting procedure of Mass Balance Implementation as well as three months balancing report (three monthly bases).

The SOP also completed with job description and organization structure of SCCS implementation in Muara Kandis Mill, starting from security check, weighbridge operator, production assistant, until CPO dispatch. All related staffs have been trained as seen by training records dated October 31, 2015, attended by 14 participants: Lab Assistant, Administration head, security Head, Shift analyst, Grading, Weigh Bridge Operator, Production clerk, Dispatch Operator, administration clerk, manager, and senior production assistant.

Status: Comply

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Sighted that Muara Kandis Mill Facility has had procedure on verification of incoming certified and non certified FFB:

- SOP number PT DSL-MKNM/SOP/24 regarding SOP of Supply Chain for CSPO product with Mass Balance system, issued May 16, 2014. SOP contains complete procedure of implementation of SCCS requirement according to RSPO, officials in charge who have overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.
- SOP number PTDS-MKNM/SOP23 issued on March 10, 2014 regarding Reporting of Certified CPO Product RSPO which regulates reporting procedure of Mass Balance implementation as well as three months balancing report (three monthly bases).

The procedure covers procedures of certified FFB processing, including job description of related staffs:

- Security officer: Verify FFB deliveries slip to check source of FFB. Only short listed supplier can deliver FFB to mill. FFB supply from certified source should have "RSPO certified" mark.
- Weighbridge operator should verify the incoming FFB with list of certified supplier. FFB from certified block and estate marked with "certified" stamp. As guidance, mill management regularly updates the list of certified and non certified supplier.
- Production process, refers to Mill Processing SOP
- Production Admin input amount of certified FFB
- Cutoff date is 08.00 – 08.00 next day

Status: Comply

E.4 Purchasing and goods in

E.4.1
The site shall verify and document the volumes of certified and non-certified FFBs received.

Sighted in document verification that Muara Kandis Mill Facility has verified and documented the volumes of certified and non-certified FFBs received, as seen in the following records:

- FFB delivery slip from each estate, that contain information: company name, Estate name, Division, Truck Police number, slip number, Complex, block, FFB volume, estimated weight, Driver name, signature of transportation clerk, signature of driver.
As example: Delivery slip issued on march 28, 2016 from Muara Tawas, Division 3 block K34, 278 pieces of FFB, weight 5,250 kg, slip number 2821/TBS/III/B/2016/21797, truck police number BG 8049 GL, Driver name: Hombing, signature from transportation clerk and assistant
- Weighbridge card which contains information of: slip serial number, date, hour, and weight on first and second measurement, supplier estate, division, delivery note, transporter, driver name, and weighbridge clerk.
As example: Weighbridge slip number A001908 dated March 28, 2016 from Muara Tawas Estate, Division 3, 278 pieces of FFB, Driver name: Hombing, weight 5650 kg, transporter code: 3500040 PT. Satrindo Jaya Agropalma, Clerk name: Linda
- Hourly weighbridge monitoring form contains information of incoming FFB and delivered CPO / PK every hour.
- Recapitulation of received FFB from each supplier estate, which contains information: date, hour, estate, weighbridge slip, number of FFB delivery, police number, driver name, Complex, FFB weight (brutto, tarra, netto).
- Documentation of weighbridge software which is integrated with accounting system using SAP software.

Status: Comply

E.4.2
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

The estimated tonnage of CPO and PK products that could potentially be produced by mill had been recorded by the CB in the public summary of the initial audit report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year:

- Estimated production of CPO was 34,724 tonnes
- Estimated production of PK was 8,358 tonnes

The actual tonnage produced will be recorded in annual surveillance report of period ASA-01. It is recorded that since 18 May 2015 until ASA-01 audit, actual production of CPO was:

- Received FFB: 227,055 tonnes
- CPO production: 34,047.76 tonnes
- PK production: 8,449.01 tonnes

The data shows that there is no exceeding of CPO and PK production. Nevertheless, Mass Balance SOP stated that site will inform the CB immediately if there is a projected overproduction of certified tonnage.

Status: Comply

E.5
Record keeping
E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Mill facility has conducted monitoring of incoming FFB and outgoing CPO / PK. CH has also record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis

Example of balancing stock for year 2015 in PT. DSL is as follows:

Period	Processed FFB		CPO production		CCPO Dispatch		Stock	
	certified	Non	Certified	Non	Certifi	Non	Certified	Non

		Certified		Certified	ed	Certified		certified
Jan – Mar 2015	30.684,26	18.159,54	7.033,6	4.164,09	-	8.764,3	1.932,14	1.267,86
Apr – June 2015	43.766,26	23.502,6	9.778,03	5.253,45	-	15.658,0	1.494,8	978,5
Jul – Sept 2015	53.365,46	27.591,09	12.142,1	6.277,1	-	19.916,5	624,8	351,2
Okt – Des 2015	43.555,26	22.671,54	10.018,9	5.220,47	-	12.577,4	5.806,4	1.273,3
Jan – Mar 2016	28.429,21	15.268,92	6.581,36	15.268,9	-	13.106,8	638,23	35,54

CH has determined retention period of all SCCS document in accordance to SOP on Document Control (Number SOP/SMART/LH-02 dated January 2, 2014). All operating document will be kept for 10 years maximum of retention time. The expired documents (if any) will be considered to be destroyed.

	Status: Comply
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E.5.2
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

CH does not have kernel crushing plant unit. All Palm Kernel sent to Kernel Crushing Plant located outside of PT. DSL.

	Status: Comply
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3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-1	PT Djuandasawit Lestari has achieved approval/permit of the certificate usage with certificate number MUTU-RSPO/059.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1	Company does not use logo whether on the product (on-product) nor for not on the product (off-product) within scope of PT Djuandasawit Lestari.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-1	Company does not use logo whether on the product (on-product) nor for not on the product (off-product) within scope of PT Djuandasawit Lestari..	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-1	Company does not use logo whether on the product (on-product) nor for not on the product (off-product) within scope of PT Djuandasawit Lestari.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Total companies observed (0.5 √Y) Where Y is the total of uncertified RSPO registered company The Management Unit name : - Date of Observation: -		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	√
	Status: Comply	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at Main Assessment (ST-2)

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1	Major 2.2.2	Maintenance of legal boundaries Company has conducted maintenance of several Land Use Title poles as legal boundaries of land ownership. However, according to field verification and document review, there are still several Land Use Title poles number 122 and 48 in Muara Kandis Estate	PT DSL	Major	Before the certificate is issued	Company must shows evidence of legal demarcation boundaries / legal area boundaries obviously and well maintained	<p>Root Cause: Implementation of Land Use Title Pole Maintenance does not run well</p> <p>Resolution of Problem: Company has installed the Land Use Title Pole refer to the coordinate informed by National Land Agency.</p> <p>Preventif Action: Company has had procedure of Land Use Title Pole monitoring and Maintenance in form of SOP.</p> <p>Auditor Observation (February 27th 2015): Company has identifying the position of Land Use Title Pole refer to the Map of Land Use Title period of 1999 from National Land Agency and has correcting the legal demarcation boundary by installing the missing Land Use Title Pole refer to the Map of Land Use Title, specifically pole number 48 and 122.</p> <p>Hence, finding 2014.01 is closed</p>	Closed	February 27 th 2015
2014.2	Minor 4.4.1	Testing of Petanang River water quality Company has conducted testing of Temani River water quality in Muara Kandis Estate. However, the result of	PT DSL	Minor	Surveillance 1	Company must shows evidence of upperground (river) water quality monitoring within estate area,	<p>Root Cause: Monitoring of Petanang River water quality is not written on the matrix of environment monitoring but the fact Petanang is utilized</p>	Closed	December 5 th 2014

		<p>water quality testing of Petanang River in Muara Tawas has not yet available. Those rivers has been identified as HCV area and according to the interview with the community of Muara Megang, the river is considered as fish source and is used by nearby community.</p>			<p>especially which is identified as HCV and used by community</p>	<p>by community nearby..</p> <p>Resolution of Problem: Sampling has been conducted on September 28th 2014, and the result of analysis has been concluded on October 14th 2014..</p> <p>According to the result of analysis, there were two parameters which exceed the quality threshold. The parameters were pH and O&G (oil and grease). However, it could be concluded that estate operational in PT DSL is not causing the river contamination because it has been contaminated from the upstream.</p> <p>Furthermore, the monitoring of water quality in Petanang river will be routinely conducted each semester..</p> <p>Preventif Action: Managing riparian area alongside the Petanang River.</p> <p>Auditor Observation: Company must show the evidence of river water quality monitoring within estate area, specifically the area that the river is utilized by employees and community nearby. Sampling has been conducted on September 28th 2014 and the result of the analysis has been issued on October 14th 2014.</p>		
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							According to the document, the nonconformity is considered closed.		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.1	2.2.1	<p>Legality of Land</p> <p>Base on field visit at border river of Bakul River Division 4 of Muara Kandis Estate (MKNE) show the main plantation area has been reach at border river on Bakul River.</p> <p>While the plantation site map (Appendix Document Handling EIA to the environment agency of Musi Rawas district dated May 22, 2015) showed that Bakul River located quite far from the limit of the concession Land Use Title.</p> <p>Has not provided evidence of the legality of land MKNE that exists between the Land Use Title boundaries with the border river on Bakul River.</p>	PT DSL	Major	31 May 2016	The company have show a legality of land MKNE that exists between the Land Use Title boundary with the border river on Bakul River	<p>Root cause:</p> <p>Legality land MKNE land that is between the limit Land Use Title with riparian Bakul River still a Permit Area and has not been upgraded to Land Use Title</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. Identify the extent and location of the operational area that is outside the concession with a map. 2. The Company will issue from RSPO audit scope. 3. FFB generated will be entered into a non certified RSPO. 4. The company will take care of the legality of the land <p>Preventive action:</p> <p>The company will ensure that all operational areas are within legality clear by identifying the entire operational area that is outside the concession (the extent and location of the block) and do the filing the maintenance of the concession to the relevant agencies so that the entire area of operations managed by the company have a legal land clear.</p> <p>Observation Auditor June 24th 2016</p> <p>The company shown documents:</p> <ol style="list-style-type: none"> 1. A statement of the Director and CEO of PT DSL dated June 6, 2016 which 	Closed	June 30 th 2016

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>states that:</p> <ol style="list-style-type: none"> Company willing to spend most of the land area of 574.58 hectares in the MKNE from the scope of the RSPO. The Company committed to taking care of the legality of land referred to in point 1 above. With the issuance of the land above, the proposed extent of the company within the scope of the RSPO certification is becoming an area of 10,958.40 hectares. <ol style="list-style-type: none"> The Request Cadastral Map (Reg No: 929/210 / PMNP / VI / 16) with a scale of 1: 25.000 which informs the identified areas outside the concession area of 574.58 hectares. Evidence of concession arrangements in the form of: <ul style="list-style-type: none"> Letter of BPN RI Office of Prop Sumsel (Letter No: 2185 / 6:16 / VI / 2016 dated June 21, 2016) regarding notice of cadastral parcels measurements PT DSL ± 389.84 Ha. Letter of BPN RI Office of Prop Sumsel (Letter No: 2186 / 6:16 / VI / 2016 dated June 21, 2016) regarding notice of cadastral parcels measurements PT DSL ± 		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>184.74 Ha.</p> <p>4. Evidences of FFB separation of certified and non-certified form:</p> <ul style="list-style-type: none"> • Memorandum No. 553/RC-Sumsel/1/VI/ 2016 dated June 20, 2016, concerning the delivery mechanism FFB Non Certified MKNE to MKNM. • Letter Accepted FFB with the logo NC (Non Certified), examples of No. Series 28 951 dated June 20, 2016 is derived from the block L38. • Records of socialization implementation of separation FFB Non Certified dated June 15, 2016 which was attended by the management staff and the Assistant Division PT DSL. <p>Observation 30 June 2016:</p> <ol style="list-style-type: none"> 1. The company has shown recapitulation data of FFB and CPO certified or non certified since June 1st 2016. Delivery note sample of certified or non certified FFB attached. 2. Time bound pland update signed by head of PCDV on June 28th 2016 which contain area 574.58 Ha in PT. Djuandasawit Lestari will be certified on 2020. 		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							Auditor conclusion: Based on the explanation above, the Non Conformity No. 2016.1 has closed.		
2016.2	4.3.6	Management of Marginal Areas Based on the results of land suitability mapping conducted by a team PMNP 2007, there are areas of land suitability classes N (not appropriate) covering an area of 783.4 hectare. However, the company has not been able to show documentation and implementation of management strategies over the area.	Estate	Minor	ASA-2	The company has show a evidence a document of strategic management of marginal area base on standard was applicable	Root cause: The company not yet documented strategy and implementation of marginal area. Corrective action 1. Reporting of marginal area management that has implemented by company. Last measured of marginal area in PT DSL attached. 2. Checking marginal area in MKNE regularly. It will be a guidance for marginal area management. Preventive action: 1. Will monitored/managed marginal area and reported of implementation. 2. Will regularly measured of land suitability in each estate. Observation on May 19th 2016 Based on evidence, the company has showed: a. Description of semi detail soil map of MKNE. b. Semi detail soil survey map in MKNE and MTWE. c. Strategy of lowland management to maintain soil fertility document.	Open	

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>d. Implementation of marginal area map document.</p> <p>Therefore, the map not yet informed of issued dated.</p> <p>However, the implementation of the management of marginal areas that has documented will be observed in the next surveillance (ASA-2).</p> <p>Auditor conclusion: Non Conformity No. 2016.2 still not comply.</p>		
2016.3	4.4.1	<p>Water management</p> <p>The company has shown evidence of water management activities such as ditch cleaning activities, planting <i>vertivergrass</i> on the border river, the installation of spray boundaries, creation of embankments, etc. However, these activities have not been set out in a document of water management planning in PT. DSL.</p>	Estate	Minor	ASA-2	Companies must be able to show documents on adequate water management plan that covers all water sources in plantations	<p>Root cause:</p> <p>Corrective action</p> <p>Preventive action:</p> <p>Auditor conclusion:</p>	Open	
2016.4	4.7.6	<p>All workers should be covered under accident insurance</p> <p>The company could not show proof of payment of insurance agents Employment in January and February 2016 for non-permanent employees Muara Kandis Estate.</p>	Estate	Minor	ASA-2	Companies must be able to show evidence of payment of employment insurance agent for all workers.	<p>Root cause:</p> <p>The high turnover (turnover non-permanent employees) became one of the problems in registering <i>BPJS</i>. And late registration due to lack of administrative requirements in the form of E-ID card, thus inhibiting also processes payments every month.</p> <p>Corrective action</p>	Closed	April 12 th 2016

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>To show evidence of payment of employment insurance agent for all workers.</p> <p>Preventive action: Each month will make payments on time and preserve evidence payment.</p> <p>Observation of 12 April 2016 Companies show evidence of payment BPJS Employment in January and February 2016 to be paid on 11 April 2016 to 56 daily paid workers.</p> <p>Auditor conclusion: Based on the explanation above, the Non conformity No. 2016.4 has been closed.</p>		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.3.3	The Company has an opportunity to optimize the treatment strategy in extreme conditions (high rainfall) and ensure the treatment plan that has been set goes well (Observation)
2	Major 4.6.1	The Company has an opportunity to evaluate the use of pesticides (trade name: Erkaforon) shall be discharged permission orbit on June 23, 2016.
3	Major 4.6.6	The company needs to redesign the air ventilation at the Warehouse in Muara Kandis Agrochemical Estate that does not cause pungent smell. (Observation).
4	Major 6.3.2	Companies are encouraged to be able to resolve industrial disputes MKNM workers in accordance with the provisions set forth in the CLA and the applicable employment legislation. (Observation)

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company has participated in the development of surrounding communities through the develop shceme smallhoder to increase social welfare
2		The company has commitment to management of environment and have certificate PROPER HIJAU form Environment agency

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
National Land Agency Musi Rawas Regency <ul style="list-style-type: none"> The entire operational area the company has owned the Land used title in accordance with the regulations applicable laws. So far, there is no indication that enter into the area of forest areas or areas that are not its designation There is a complaint regarding a dispute / claim land in 2015. However, based on the results of field visits team Land Office of Musi Rawas Regency on May 28, 2015 the entire area that is claimed to be in the concession Land used title. Thus, the status of the land has clear rights. 	<ul style="list-style-type: none"> The Company has the Land Used Title No. 06 / HGU / 1999 and No. 07 / HGU / 1999 issued by National Land Agency. Musi Rawas Regency The company has had a letter of recommendation non-forest areas No. 574/KWL-6/1998 issued by Regional Office of the Department of Forestry in South Sumatra The company has always solve the problems of dispute / claim land by legal means to show evidence of a legitimate and accountable. 	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. This is in accordance with the criteria. 4.7; 6.8 ; 6.9</p>
Plantation Agency Musi Rawas Regency <ul style="list-style-type: none"> The company has a good relationship with government agencies particularly the Plantation Agency. The Company has fulfilled its obligation of Land used title and Plantation Business Permit. In addition, the company also has a plantation class II Companies routinely have reported the development of plantation There are no complaints / claims of land in the area of operations of the company 	<ul style="list-style-type: none"> Companies always keep a good relationship with the Plantation Agency Based on the Decree of the Regent of Musi Rawas No. 766 / KPTS / Dishub / 2013 regarding the determination of private enterprises large estates in the district Musi Rawas which establish that PT Djuandasawit Lestari were rated class II Companies always send the report of the development of plantation at the Plantation Agency The company has always solve the problems of dispute / claim land by legal means to show evidence of a legitimate and accountable. 	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. This is in accordance with the criteria 2.1; 2.2; 6.10</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Labour Agency Musi Rawas Regency <ul style="list-style-type: none"> The company has a good relationship with government agencies particularly the Labour Agency The company has implemented the relevant government regulations regional minimum wage 2016. The Company has been carrying out employment related reporting obligations. For example, the labor required to report (Mandatory Labor Report) in 2014 and 2015. The Company has registered the contract labor on a regular basis to Labour Agency The company has shown a commitment in terms of freedom of association for all employees. There are labor union PT Djuandasawit Lestari recognized by the company and is registered in the Labour Agency at Musi Rawas Regency There is a dispute between the company and the labour union in April 2015. The dispute led to demonstrations in the offices of Labour agency. But such disputes have been mediated and have reached a mutual agreement. The Company has Collective Labour Agreement with employees and has registered with the Labour Agency on October 9, 2015. Copies of the CLA have also been disseminated to all employees. All operators and welders have had operational license 	<ul style="list-style-type: none"> The company keep a good relationship between labour agency The company have commitment to implement the regulations regional minimum wage The company always carries the reporting of employment annually The company is always committed to freedom of organization for all employees. There are labor union PT Djuandasawit Lestari recognized by the company and is registered in the Labour Agency at Musi Rawas Regency The dispute between the company and the labour union in April 2015 had reached a mutual agreement The Company has Collective Labour Agreement with employees and has registered with the Labour Agency on October 9, 2015. Copies of the CLA have also been disseminated to all employees. All operators and welders have had operational license 	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. This is in accordance with the criteria 2.1; 2.2; 6.10</p>
Regional Environmental Agency Musi Rawas Regency <ul style="list-style-type: none"> Companies regularly report environmental monitoring activities to the Regional Environmental Agency well. 	<ul style="list-style-type: none"> The company has always report the environmental monitoring activities in accordance with the regulations. 	<p>Companies need to maintain a positive performance that has</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The company has been conducting environmental management, the report of management and monitoring environment has been in accordance with the EIA There has been an associated environmental permit. For example EIA, permits the hazardous waste warehouse, application permissions POME. So far, there has been no complaints from the public, organizations / institutions or government related to the environmental pollution caused by the operations of the company Analysis of the quality of waste (liquid / solid), water and air quality have been done with the help of agency analysis / test lab competent and accredited. The test results and management routinely reported to Regional Environmental Agency Routinely, Regional Environmental Agency an official visit related to environmental monitoring in each semester. Formally findings of nonconformity results were submitted in writing to the company. If there is a discrepancy with the regulations required to be repaired and reported back to Regional Environmental Agency. So far, several nonconformities identified have been corrected. However, often the error / non-conformity repeat on subsequent visits. For example, related to the management of B3 waste, especially used oil that are often spilled at home generators, workshops and other places The company has set the domestic waste management in a residential area. However, there are still discarded packaging containers oil / filter that goes into domestic bins provided. Based on the results of the study of Regional Environmental 	<ul style="list-style-type: none"> Environmental management activities is the obligation of the EIA and fully implemented by the company and reported to the authorities every six months. The company always completes legality relating to the environment such as EIA, permits the hazardous waste warehouse, application permissions POME. The company always keep the whole operations do not pollute the environment The company has always perform environmental monitoring activities every six months by working with UPTD Environmental Laboratory Regional Environmental Agency South Sumatra The Company has made improvements to the Action Plan submitted nonconformities BLHD as B3 waste management used oil in particular has the program and providing sanctions for operators workshop and generator disobedient The Company has made Action Plan in a way socialization to all employees in order to collect oil packaging and other hazardous waste to be collected to hazardous waste warehouse The Company has submitted a letter to the Regional Environmental Agency. Musi Rawas Regency (No. 095 / EL-EHSD / DSL-BLHD Musi Rawas / IV / 2014) related to the Application Environment Document Determination Manager Improvements PT DSL. Then Regional Environmental Agency invites companies to a meeting related to the explanation letter PT DSL above, and Regional Environmental Agency ask completeness of such data (HGU, IUP, Map Location, Progress Land Acquisition, Data Year Planted and map). The company responded to the letter by letter PT DSL (No. 086 / EL / DSL-BLH / IV / 2015) which 	<p>been held and continues to implement continuous improvement. This is in accordance with the criteria 2.1; 5.1; 5.3 and 5.5</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Agency, indicated the existence of a company area that is not included in the EIA document. This has been driven by Regional Environmental Agency for EIA addendum in accordance with the letter on June 8, 2015. However, so far there has been no official response from the company related to it.</p> <ul style="list-style-type: none"> Required socialization of environmental management to every employee in accordance with the company's commitment. Results BLHD team interview with the employee / community in plantation areas, identified several environmental mismanagement is less precise due to the lack of understanding of the employee / community in plantation of good waste management 	<p>contains the location and the overlay licensing HGU PT DSL, for the other data that cannot be responded in connection with PT DSL has response procedures requests for information related to a document that can be accessed by Regional Environmental Agency Musi Rawas Regency</p> <ul style="list-style-type: none"> The company has always socializing environmental management to every employee associated with the environment so that employees / people in the estate have good understanding of waste management 	
<p>Community Village</p> <ol style="list-style-type: none"> 1. Suwarmin (Headman Karyamukti village) 2. Supriyadi (Headman Lubuksari – Lubuktua village) 3. Jamil (Headman 4 vilage –Muara Megang village) 4. M. Ali Musta'in (Headman Lubuk Pandan village) 5. Bachtiar (Community Leader) 6. Alfian (Headman Karya Sakti village) <ul style="list-style-type: none"> Generally fairly good relationship with the community. Community feels that a lot of the positive impact of the presence of PT. DSL such as: open access, social assistance, employment opportunities. For example, the most considerable felt relief is aid flood victims in Muara Megang and Lubuk Pandan 	<ul style="list-style-type: none"> The company always responds to requests for assistance from the community around the gardens and the company also has provided food assistance to the victims of flooding in the village of Muara Megang and Lubuk Pandan The company has always tried to establish good relations and communication with surrounding villages 	<p>Companies need to maintain performance positive that has owned and continues to implement continuous improvement. Companies need to improve social communication and consultation both for environmental monitoring as well as in the framework of Community Development. This is in accordance with the criteria2.2;</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> Some villagers consider the relationship mediocre because not a lot of interaction with plantation Communications in general have done well in the village with management plantations through an assistant on duty. No cases of land conflicts except in the village of Lubuk Pandan, it is claimed by the community on behalf of Mayor Fahmi measuring + 30 hectares. The case is currently in the completion phase. Plasma stages III and IV in the village Karyamukti, in the last six months no earned income for community. The previous year when the fruit is quite a lot, there are deductions for savings, but the savings are not clear for what and cannot be taken when the FFB is being dropped. The road between villages was severely damaged and there is no contribution to society, such as road route the Petrans Jaya village– Beliti Jaya village – Karya Mukti village. Realization of the fulfillment of requests for assistance is often slow. During the dry season the water is very dry, so it needed the help of CSR that can help provide clean water The absorption of local labor for plantations and mills are still considered low, especially given the economic crisis and the fall in rubber prices. Economic difficulties and limited employment had triggered the rampant theft of fruit at the PT. DSL. Village officials had received reports of rampant theft of palm fruits, but cannot act for reasons of public who steals caused economic hardship. Villagers consider, at the time of plantation development (years 1993-1995), the company promised to prioritize local employment with the proportion 60:40. 	<ul style="list-style-type: none"> The company is always doing good conflict resolution process legally, deliberation and kinship. Company as foster parent always committed to keeping the partnership remains in harmony. Indeed, in recent months the condition of fruit being dropped due to the trend of production due to drought last year. In these conditions the company should still be sufficient to cover operating costs and debt maturities to the Bank Creditors (BII). One of the company's strategy as a foster parent is to make savings at a time when production is rising. This saving is not to be distributed as income of farmers but is meant as a reserve at the time of FFB down that debt maturities to the Bank still be paid. The company always respond to requests for help with maintenance of village roads around the estates The Company has procedures in responding to calls for help and it is always socialized to the relevant stakeholders The company has always helped provide clean water for the needs of the village around which the company has provided clean water for toilets in junior high school Karya Sakti PT. DSL seeks to accept workers who came from the area around the community, recruitment was based upon a selection according to their competence, the number of workers from the community around the plantation contained in document data employees. The company also has been encouraged the village officials to provide awareness to the people to make a living lawfully, by not stealing FFB belongs PT DSL The company has been providing transportation for employees who live outside the estate to facilitate the employees present on time and avoid 	<p>5.2; 6.1; 6.2 ; 6.10.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> • Labor hours starting at 5:45 too early and difficult labor to present on time. Apart from the dawn prayer average of 05.00, also for reasons of insecurity crime. • The labor of society is limited at the age of 45 years, while public assumes they are able to work at that age. • Application for cooperation for the realization of the development the village of Lubuk Pandan smallholdings and currently are already available land about 500 hectares. Lubuk Pandan Village is one of the main villages because it has the largest land area in plantations. Should be a priority in the development of smallholdings • The Company did not accept FFB from independent smallholders that people should sell FFB to other places. Hopefully, the company will accept FFB from the community, particularly of good quality. • Community involvement as local contractors are still less, and limited in a few villages. 	<p>criminal disturbance</p> <ul style="list-style-type: none"> • The company always employs a workforce based on competence and ability • The company has always encouraging for the formation of scheme smallholders in the village of Lubuk Pandan, development scheme smallholders has not been done until now because there are some problems that cannot be resolved as related to the legality of land that is not yet complete • At present the company has been to collect data on plant varieties in plantation communities with the potential of its FFB will be bought by the company, but it is still in the process of verification by the company • The company always gives the opportunity for every local contractor in the village around. contractor selected through the selection, the competence and ability of the contractor 	
<p>Worker Union (PUK SPPP SPSI Muara Kandis Estate)</p> <ul style="list-style-type: none"> • Meetings were held between the worker union and the company if there are problems of industrial relations. • Collective Labour Agreement Period 2015 – 2017 has been agreed by all parties that worker union with the company in October 2015, and was approved by the Labor Agency • The Company has implemented a minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premium and overtime wage increases. • Promotion hierarchical level rise process of employee monthly, or daily worker into monthly worker base on employee performance 	<ul style="list-style-type: none"> - The company has always communicate well with labor unions associated with the settlement of problems in industrial relations • The company has had a collective agreement has been agreed by all parties and union registered with by the Labor Agency in October 9, 2015 • The company always implements the minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premiums and overtime wage increases • The company has always assess employee performance in a transparent, hierarchical level rise based on the achievements of employees and 	<p>Companies need to maintain performance positive who has owned and continues to implement continuous improvement. Companies need to improve social communication and consultation both for environmental monitoring as well as in the framework of Community Development. This is in accordance with the criteria 4.7;</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The Company has registered the worker in the Social Security Agency Workers , and Health Security Agency , but there are workers who are not registered due to the lack of administrative requirements for workers, for example in electronic identity card. The company has been providing the infrastructure adequate welfare workers. Grievance Mechanism from workers submitted to the worker union later the union conduct internal meetings, and if the problem cannot be resolved internally then proceed to the company. There is no issue of discrimination of workers conducted by the management unit MKNE During the period 2015/2016 there has been no industrial relations problems that occur in MKNE. Companies are encouraged to immediately realize the installation of lighting facilities from the State Electricity Company for residential MKNE 	<p>adjusted by the needs of the company</p> <ul style="list-style-type: none"> The Company has been register the worker in the Social Security Agency Workers , and Health Security Agency , accordance with the terms and conditions applicable The company has been providing the infrastructure adequate labor welfare The company always respond to complaints from workers or from unions in accordance with existing procedures in the company Management Unit MKNE always adhere to the Company Circular Letter No. 096 / CEO2-SE / 12/2010 on Implementation of Industrial Relations in Management Unit Companies always keep a good relationship with the unions The electrical grid in the form of electric poles have been installed up in PT DSL residential area, but still in the process of selecting the contractor to perform the installation of the electrical grid from pole to housing 	6.2; 6.5; 6.7.
<p>Chairman Worker Union (Serikat Buruh Djuanda Bersatu Musi Rawas (SBDBMR))</p> <ul style="list-style-type: none"> The Company has been consistently apply the policy of freedom of association to facilitate the formation of labor unions in the company Communication between the Worker Union with the management unit MTWE already well established. Collective Labour Agreement Period 2015 – 2017 has been agreed by all parties that worker union with the company The Company has implemented a minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premium and overtime wage increases 	<ul style="list-style-type: none"> Management Unit PT DSL always adhere to the Company Circular Letter No. 096 / CEO2-SE / 12/2010 on Implementation of Industrial Relations in Management Unit Companies always keep a good relationship with the unions The company has had a collective labour agreement has been agreed by all parties and union registered with by the Labor Agency in October 9, 2015 	Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. Companies need to improve social communication and consultation with employees. This is in accordance with the criteria

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> There are problems regarding the transfer of the employee's duties in MKNM which until now has not yet been completed. Worker Union are still waiting for an invitation from the management unit MKNM to immediately resolve the issue in the form of an official letter addressed to the Worker Union. 	<ul style="list-style-type: none"> The company always implements the minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premiums and overtime wage increases Management Unit employees to see problems occurring mutation is not as problems. Due to mutations that do remain subject to Articles poin 16 in CLA which has been agreed. 	4.7; 6.2; 6.5 ; 6.7.
<p>Chairman Worker Union (PUK SPSI Muara Tawas Estate)</p> <ul style="list-style-type: none"> Internal meeting of the worker union has been conducted regularly (1 month, 3 months, 6 months and 12 months). Communication between the unions with MTWE management unit has been established. The Company has implemented a minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premium and overtime wage increases There are no reports on industrial relations problems. The hierarchical level rising process of employee monthly or daily worker into monthly worker takes a long time. Performance appraisal assessed not done transparently by the company. Regarding aspects of the assessment is not known by the labor union or workers. This needs to be clarified by the company Companies are encouraged to immediately realize the installation of lighting facilities from the State Electricity Company for residential MTWE The Company is encouraged to provide clean water facilities suitable for consumption 	<ul style="list-style-type: none"> Management Unit MTWE always conduct regular meetings with the union to discuss the issue of industrial relations The company has always maintained good communication with the union associated with the settlement of problems in industrial relations The company always implements the minimum wage in 2016 in accordance with the decree of the governor applicable. The provision refers to over target premiums and overtime wage increases The company has always assess employee performance in a transparent, hierarchical level rise based on the achievements of employees and adjusted by the needs of the company - The electrical grid in the form of electric poles have been installed up in PT DSL residential area, but still in the process of selecting the contractor to perform the installation of the electrical grid from pole to housing The Company has provided the means adequate clean water for employees 	Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. Companies need to improve social communication and consultation with employees. This is in accordance with the criteria 4.7; 6.2; 6.5 : 6.7.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Gender Committee from Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill <ul style="list-style-type: none"> The socialization of sexual harassment policy and protection of women's rights has been communicated to all workers as well as the guarantee of protection for complainants or victims and witnesses. In the period 2015-2016 there were reports one case of infidelity in MKNE received by the Committee on Gender and was completed along with the top management. There were reports of intimidation and violence against children committed by workers in MTWE received by the Committee on Gender, and has been completed along with the top management to give warning to the workers and to sign an agreement not to repeat the incident. The company has consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first / second during menstruation, and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and 1.5 months after birth) There is no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex. The Company has demonstrated efforts to improve workers' access to decent food and fairly by providing vehicles to transport workers to meet basic needs to the city at the time of receipt of salary / wages 	<ul style="list-style-type: none"> PT DSL always do a socialization annually associated with sexual harassment policy and protection of women's rights Management unit MKNE always complete reporting of cases from the Committee on Gender The company always consistently implemented a policy of protection of reproductive rights through the provision of H1 for female workers who experience pain on the first / second during menstruation, and H2 for pregnant women workers who give birth (1.5 months prior to giving birth and Management Unit PT DSL always adhere to the Company Circular Letter No. 096 / CEO2-SE / 12/2010 on Implementation of Industrial Relations in Management Unit Currently the supply of vehicles to transport workers shopping done if there is the demand from the workers. The company has set up a vehicle that can be used at any time if there is demand. The location is pretty close to the village market from housing employees made some workers choose to go shopping using their own vehicles. 	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. This is in accordance with the criteria 4.7; 6.2; 6.5 : 6.7.</p>
PUK Serikat Buruh Djuanda Bersatu unit MKNM <ul style="list-style-type: none"> There are indications that the top management to intimidate worker union officials 	<ul style="list-style-type: none"> The company never intimidate the board as submitted 	<p>Companies need to maintain a</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> Disputes concerning workers from the Labour Movements Electrical foreman became clerk compound cannot be resolved. This issue has been reported to the Labor Agency Labour Union requested that management to assist in the collection of Labour Union dues through cuts salaries but until now there has been no response from the management. The management unit mills have yet to implement the provisions of the applicable minimum wage in accordance with the decree of the Governor of South Sumatra Province Sectoral Minimum Wage processing industry, which is currently applicable minimum wage at mills followed the plantation sector. The assessment of job performance has not been done transparently by the management. Provision of sanctions if the worker made a mistake does not refer to the applicable collective labour agreement. The management considered doing arbitrary in granting Warning Letter or mutate employees without job evaluation in accordance with applicable regulations. In January 2016 MKNE work accidents fatality, but there are indications the calculation of compensation for death and accidents given to heirs is not in accordance with regulatory requirements. Labour Union hope that the management is open and willing to discuss or hold meetings with the Labour Union to solve existing problems so as not to cause new problems or old events will be repeated, and of course, communication with management can be immediately improved Hope the labor unions as a legitimate organization that its existence 	<ul style="list-style-type: none"> Disputes arising has been done mediation from Labour Agency Management Unit PT. DSL has not cut salary from employee before willingness a statement signed by each of the employees who are members of labor unions Mill management unit pays the wages of employees following the plantation sector minimum wage applicable, accordance Business License Mill (PT. DSL) issued by the Ministry of Forestry and Plantation is a plantation sector. The company has always assess employee performance in a transparent, hierarchical level rise based on the achievements of employees and adjusted by the needs of the company Any act of employee development in the workplace PT. DSL parties Management always follow the provisions contained in Article 69-74 CLA. And mutation of employees who do also refer to the CLA Article 16. Payment to heirs has been fully paid by the company in accordance with applicable regulations and the company has also sent the data that needs to be reported to Social Security Agency Workers, and Social Security Agency Workers has issued a fund to heirs (Mr. Sucipto) The company has always maintained a good relationship with the Labour unions and the company is always open to meeting with the Labour Union to solve problems - problems associated with the work so that communication with the Labor Union have always been good The company has always maintained a harmonious relationship with the Trade Unions and always ensure that the rights and obligations of workers in accordance with applicable regulations 	<p>positive performance that has been held and continues to implement continuous improvement. Companies need to improve social communication and consultation with employees. This is in accordance with the criteria 4.7; 6.2; 6.5 ; 6.7.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
has been legally able to be a partner with the company and as a forum between the workers with the company, as well as ensuring that the rights and obligations of workers in accordance with applicable regulations.		
Contractor Transporter FFB (Mr. Hasan Usman) <ul style="list-style-type: none"> Mr. Usman has been working with the company as a local contractor for 2 years and have five trucks as contractor carrier FFB in MKNE in Division 5 and 6 Company renew agreements every three months For the use of PPE already been disseminated by the company and the directives given by the estate manager The payment has been implemented on time and paid once a month Expectations from local contractor to the company increased freight costs, and improved roads on the estate so that FFB delivery more smoothly. 	<p>Management Unit assesses that the FFB transporting contractor Mr Usman is still able to fulfill the agreements contained in the Cooperative Agreement Letter.</p> <p>In accordance with company procedures, employment agreement transporting FFB is updated every 3 months</p> <p>Management Unit always do a socialization related to the use of PPE and ensure that contractors obeys of the rules</p> <p>Management Unit always make a payment every month according to official report job</p> <p>The Company considers that the prices given to the contractor carrying FFB is still adequate. Company always strives to continuously repair damaged roads in the rainy season at this time so that delivery FFB runs well.</p>	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. Companies need to improve social communication and consultation with contractors. This is in accordance with the criteria 4.7; 6.2; 6.5 ; 6.7.</p>
Contractors Transporter EFB (Ali Muin) <ul style="list-style-type: none"> Cooperation has been running for three months as a contractor empty bunches. The validity of the agreement is based on the amount of tonnage that will be completed by the contractor. The entire labor contractors come from the surrounding villages. For the use of PPE already been disseminated by the company and the directives given by the estate manager The payment has been implemented on time and paid once a month - 	<ul style="list-style-type: none"> Management Unit assesses that the contractor empty bunches Mr Ali Muin is still able to fulfill the agreements contained in the Cooperative Agreement Letter In accordance with company procedures, employment agreement is valid up to the amount of tonnage fulfilled Management Unit always do a socialization related to the use of PPE and ensure that contractors obeys of the rules Management Unit always make a payment every month according to 	<p>Companies need to maintain a positive performance that has been held and continues to implement continuous improvement. Companies need to improve social communication and consultation with contractors. This is in accordance with the criteria</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
	official report job <ul style="list-style-type: none"> Management unit advised the contractor to use the labor of the community around the plantation 	4.7; 6.2; 6.5 ; 6.7.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Djuandasawit Lestari
Management Representative
(Head of Environmental Department)



Ismu Zulfikar
Thursday, June 30th 2016

Mutuagung Lestari
Lead Auditor



Bukti Bagja
Thursday, June 30th 2016

APPENDICES

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	District of Musi Rawas	-	Interview	March 29 th 2016	√	
2	Labor Agency	District of Musi Rawas	-	Interview	March 29 th 2016	√	
3	Environment Bodies	District of Musi Rawas	-	Interview	March 29 th 2016	√	
4	National Land Agency	District of Musi Rawas	-	Interview	March 29 th 2016	√	
5	SP 2 Karya Sakti Village	Village of Karya Sakti, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
6	Head of Lubuk Pandan Village	Village of Lubuk Pandan, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
7	BPD and KUD Beliti Jaya	Village of Beliti Jaya Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
8	Head of BPD Lubuk Sari	Village of Lubuk Sari Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
9	Head of Lubuk Sari Village	Village of Lubuk Sari Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
10	Head of Muara Megang Village	Village of Muara Megang Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	March 29 th 2016	√	
11	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Questionnaires by email	March 23 rd 2016		√
12	Wahana Lingkungan Hidup Indonesia	-	informasi@walhi.or.id or info@walhi.or.id	Questionnaires by email	March 23 rd 2016		√
13	WWF Indonesia	-	wwf-indonesia@wwf.or.id	Questionnaires by email	March 23 rd 2016		√
14	Sawit Watch	-	info@sawitwatch.or.id	Questionnaires by email	March 23 rd 2016		√
15	Perkumpulan untuk Pembaharuan Hukum Berbasis Masyarakat dan Ekologis	-	huma@cbn.net.id	Questionnaires by email	March 23 rd 2016		√
16	Greenpeace Indonesia	-	info.id@greenpeace.org	Questionnaires by email	March 23 rd 2016		√
17	Worker Union	PT Djuandasawit Lestari	-	Interview	March 29 th 2016	√	
18	Gender Committee	PT Djuandasawit Lestari	-	Interview	March 29 th 2016	√	

					2016		
19	Local Contractors (Transporter FFB and EFB)	District of Musi Rawas	-	Interview	March 29 th 2016	√	

Appendix 2. Assessment Program

DATE	28 March – 01 April 2016				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR			
		BB	NK	AP	YH
Monday, 28 March 2016					
13.35 – 14.45	Jakarta – Lubuk Linggau	✓	✓	✓	✓
15.00 – 17.00	Lubuk Linggau – PT Djuandasawit Lestari				
17.00 – 18.00	Opening Meeting				
Tuesday, 29 March 2016					
08.00 – 12.00	Stakeholder's consultation to Related Government Institution to Musi Rawas District Government and local NGO. Stakeholder's consultation to Company surrounded village and community leader (confirmation for meeting venue) Stakeholder's consultation to Related Stakeholder (Labour Union, Committee Gender, Contractor Local)	✓		✓	
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 18.00	Field Observation to Muara Kandis Mill • Operational, OHS, Supply Chain, Hazardous Waste Management, WTP, WWTP	✓	✓	✓	✓
Wednesday, 30 March 2016					
08.00 – 12.00	Field Observation to Muara Tawas Estate • Legal operational • Manuring, Spraying, Harvesting (Best agricultural practices, worker Welfare, payments, complaint mechanism) • Conservation Area and Hazardous Waste Material management • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, B3 storage, etc.	✓		✓	✓
12.00 – 14.00	BREAK	✓	✓	✓	✓
14.00 – 18.00	• Continue Field Observation to Muara Tawas Estate and field observation clarification • RSPO Document Review and Review of Previous Visit Non-conformance (Stage-2)	✓	✓	✓	✓
Thursday, 31 March 2016					
08.00 – 12.00	Field Observation to Muara Kandis Estate • Legal operational • Manuring, Spraying, Harvesting (Best agricultural practices, worker Welfare, payments, complaint mechanism) • Conservation Area and Hazardous Waste Material management • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, B3 storage, etc.	✓		✓	✓
12.00 – 14.00	BREAK	✓	✓	✓	✓

14.00 – 16.00	• RSPO Document Review and Review of Previous Visit Non-conformance (Stage-2)	✓	✓	✓	✓
16.00 – 17.00	• Audit finding preparation (Internal Meeting)				
17.00 – 19.00	• Closing Meeting				
Friday, 01 April 2016					
06.00 – 09.00	PT Djuandasawit Lestari – Lubuk Linggau	✓	✓	✓	✓
09.15 – 10.25	Lubuk Linggau – Jakarta	✓	✓	✓	✓